VISION

To be a dynamic and liberal media company with the aim to inform and entertain our target market, keeping in view the truth and authenticity element

MISSION

As a leading & diversified media company, our mission is to set new standards of customer satisfaction by gaining the higher market share and at the same time fulfilling our obligations towards our employees, vendors, investors and most important our readers and viewers

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2011

COMPANY INFORMATION

Board of Directors	Aamna Taseer (Chairman) Shehryar Ali Taseer (Chief Executive Officer) Shahbaz Ali Taseer Shehrbano Taseer Omer Subhan Salamat Syed Kashan Hussain Kazmi Maimanat Mohsin
Chief Financial Officer	Waseem Raza
Audit Committee	Aamna Taseer (Chairman) Shahbaz Ali Taseer Syed Kashan Hussain Kazmi
Company Secretary	Nadeem Maqsood
Auditors	Nasir Javed Maqsood Imran Ashfaq Chartered Accountants
Legal Advisers	Ebrahim Hosain Advocates & Corporate Counsel
Bankers	Al-Baraka Islamic Bank Bank Alfalah Limited Faysal Bank Limited Habib Metropolitan Bank Limited KASB Bank Limited NIB Bank Limited Summit Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor State Life Building No.3, Dr. Zia-ud-Din Ahmed Road Karachi ☎ (021) 111-000-322
Head Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 35757591-4 Fax: (042) 35757590, 35877920
Registered & Main Project Office	41-N, Industrial Area, Gulberg-II, Lahore ☎ (042) 35878614-9 Fax: (042) 35878620, 35878626

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the Shareholders of Media Times Limited (“the Company” or “MTL”) will be held on **Monday,** 31 October 2011 at 01:00 p.m. at 103-C/II, Gulberg-III, Lahore, to transact the following business:

1. To confirm the minutes of last Extraordinary General Meeting held on 28 June 2011;

2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2011 together with the Directors' and Auditors' reports thereon;

3. To appoint Auditors for the year ending 30 June 2012 and fix their remuneration;

By order of the Board

Lahore:
07 October 2011

Nadeem Maqsood
Company Secretary

Notes:

1) The Members Register will remain closed from 22 October 2011 to 31 October 2011 (both days inclusive). Transfers received at THK Associates (Pvt.) Limited, Ground Floor, State Life Building-3, Dr. Ziauddin Ahmad Road, Karachi, the Registrar and Shares Transfer Office of the Company, by the close of business on 21 October 2011 will be considered in time for the purpose of Annual General Meeting.

2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head office of the company, 103-C/II, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.

4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original NIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.

   b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their NIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and NIC numbers. The proxy shall produce his/her original NIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

5) Members are requested to notify any change in their registered address immediately.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of **Media Times Limited** ("MTL" or "the Company") are pleased to present the annual report to the members along with the annual audited financial statements of the Company for the year ended 30 June 2011.

Industry Overview

Economic depression locally and globally has taught media industry to adjust according to its means. Cost effective measures not only in production and operations but also in human resource utilization has enabled the industry to keep its pace and survive. Increase in the price of materials like paper and production ingredients like electricity has forced the media industry to maintain its advertisement tariff, if not to increase. An innovative method to attract advertisers and dig out "out of the box" advertising solutions is the need of the time for media industry.

Financial Overview

The company posted after tax loss of Rs.163 million as compared to Rs.73 million in corresponding period last year. Increase in loss was mainly due to decrease in revenue as well as increase in operational costs. During the period under review revenue of the company decreased to Rs.379 million as compared to Rs.499 same period last year, whereas gross profit margin dropped to 13% as compare to 25% last year.

Detailed results of the Company for the year are disclosed in the financial statements accompanying this report; however highlights for the year are as follows:

	2011	2010
	(Rs. in Millions)	
Profit and Loss Account		
Revenue	**379**	499
Gross Profit	**52**	124
Loss after Taxation	**(163)**	(73)
EPS Basic & Diluted- (Rupees)	**(1.22)**	(0.55)
Balance Sheet		
Non Current Assets	**1,721**	1,643
Net Current Assets	**(12)**	159
Non Current Liabilities	**496**	437
Share Capital and Reserves	**1,202**	1,365

Keeping in view the economic conditions in the country and tough competition in the media industry, the Management is focusing on tapping additional available revenue sources in the market and reduction in current costs while maintaining the quality we provide and making progress towards Company's long term goals.

In last Annual General Meeting of the Company a special resolution was passed by the Shareholders of the Company for issuance of ordinary shares of the Company upto the extent of Rs. 425.00 million by way of otherwise than rights to First Capital Securities Corporation Limited ("FCSC") at par value of Rs. 10.00 each for the purpose of conversion of long term loans/advances along with mark-up earlier provided to the Company.

Thereafter, instead of issue of shares by way of otherwise than rights the Board of Directors of the Company has decided to issue right shares @ 1 right share for every 3 shares held i.e. 33.33%, the purpose of right issue is to utilize the proceeds of right issue repayment of loans/advances of FCSC. It is expected that this right issue will be completed by the end of second quarter of the financial year 2012.

Operational Overview

Print Media

"**Daily Times**", a nationwide English daily newspaper printed from Lahore, Karachi and Islamabad caters to the needs of the whole family and is considered to be amongst the leading English newspapers in the country in terms of circulation and enjoys a high level of respect & credibility. Professional editorial team, attractive layout, detailed coverage of national and international news, lively entertainment section and devoted teams of operations, circulation, sales & marketing people, all have contributed significantly towards newspaper's growth and popularity. The paper's allied weekly magazines and segments like Sunday, Boss and Wikkid provide content for entertainment and fashion industry, business & corporate sector and children.

Ever increasing prices of raw materials and energy has made things bit difficult to manage. Concentration on advertising revenue and to cut wastages in production and distribution processes remained the key to survive. At the same time countering upcoming competition was an uphill task. A large scale effort to cut operational and distribution wastages was made and was successfully done.

"**Aajkal**" an Urdu daily newspaper, is successfully maintaining its market position since its launch and continuously striving to improve circulation as well as advertising share across Pakistan.

Electronic Media

After one year of launch of zaiqa, it has captured a reasonable share of this niche market. All major advertisers of this sector advertised on Zaiqa and it has become a household name in consumer classes especially women. Excellent programming along with best names of industry chefs has made Zaiqa a very distinctive channel to watch. Innovative programming is being introduced to further increase the market share of this product and finally improve its revenue stream.

Future Outlook

Consolidation of production resources and best utilization of human resource is the key to future of media Times. Increase in revenue requires a lot of different avenues to be explored both in marketing techniques as well as in production creativity. Management at Media Times is continuously improving and exploring new avenues to establish a strong foothold in future cutthroat competition threats. Advancements in equipment and new areas of technical expertise are part of planning along with advertisement revenue enhancement strategies in future. Management of Media Times is extremely committed to excellence in all fields of its operation to not only maintain its market share but also improve it to survive the tough times.

Changes in the Board of Directors

Directors of Media Times Limited wish to place on record their deepest condolences for the tragic assassination of Mr. Salmaan Taseer, Chairman of the Group and Governor of Punjab on 4th January 2011. We further wish to commend Mr. Salmaan Taseer's contribution to the creation and nurturing of Media Times Limited into one of the major print/electronic media houses of the country. The Directors also want to place on record that Mr. Salmaan Taseer's towering presence and personality will be sorely missed by us all.

During the month of January 2011 Mr. Shehryar Ali Taseer was appointed as Chief Executive Officer and Mr. Omer Subhan Salamat was appointed as Director due to assassination of Mr. Salmaan Taseer. Mrs. Aamna Taseer was appointed as Chairman of the Company in place of Mr. Salmaan Taseer.

Election of directors was held during the month of June 2011 and all the retiring/existing directors were re-appointed for a further period of three years.

Board Meetings during the year

Six Meetings of the Board of Directors were held during the period 01 July 2010 to 30 June 2011. Attendance by each Director is as under:

Director	Meetings attended
Mr. Salmaan Taseer (Late)	2
Mrs. Aamna Taseer	6
Mr. Shahbaz Ali Taseer	6
Mr. Shehryar Ali Taseer	6
Miss. Shehrbano Taseer	6
Mr. Omer Subhan Salamat	1
Syed Kashan Hussain Kazmi	5
Mrs. Maimanat Mohsin	-

The business of the company is being run under the supervision of Board of Directors; Mr. Shehryar Ali Taseer, in the capacity of Chief Executive was entitled for monthly gross salary of Rs. 100,000 per month along with employee benefits as per Company policy.

Audit Committee

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee consisting of following Directors.

Aamna Taseer	Chairman of the committee and Non-Executive Director
Shahbaz Ali Taseer	Non-Executive Director
Syed Kashan Hussain Kazmi	Non-Executive Director

During the year Mr. Omer Subhan Salamat appointed in place of Mr. Shehryar Ali Taseer and Syed Kashan Hussain Kazmi was appointed in place of Mr. Omer Subhan Salamat.

Code of Corporate Governance

This statement is being presented to comply with the "Code of Corporate Governance" (Code) contained in the Listing Regulations of the Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Code. The directors hereby confirm the following as required by clause (xix) of the Code.

The financial statements together with the notes drawn up by the management present fairly the company's state of affairs, the result of its operations, cash flow and changes in equity.

Proper books of accounts have been maintained by the company.

Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

The international accounting standards, as applicable in Pakistan, have been followed in the preparation of financial statements and departure there from (if any) is adequately disclosed.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no doubts upon the company's ability to continue as going concern.

There has been no departure from the best practices of Corporate Governance, as detailed in the listing regulation

The key operating and financial data for the last six years is annexed.

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding and have not been disclosed in annexed accounts.

Trading of Directors

During the financial year, the trading in shares of the Company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is given in Annexure - 1

Auditors

Statutory Auditors, Messrs Nasir Javaid Maqsood Imran Ashfaq., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of Messrs Nasir Javaid Maqsood Imran Ashfaq, Chartered Accountants as the auditors of the Company for the financial year ending 30 June 2012.

Pattern of Shareholding

The pattern of shareholding as required under Section 236 of the Companies Ordinance, 1984 is enclosed.

Appropriations

Keeping in view of the results of the operations and being no sufficient reserves available, the directors have recommended no dividend/payout be paid for the financial year under review.

Earnings per Share

Earnings/ (Loss) per share for the financial year ended 30 June 2011 is Rs. (1.22) (2010: Rs. (0.55)).

Acknowledgements

Directors take this opportunity to place on record their appreciation of the dedication and commitment of employees at all levels that has made MTL to become one of the leading media companies in Pakistan. MTL continues to rely on its employees for its future expansion and believes in the mutual sharing of rewards that are a result of the endeavors of its employees. Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors, service providers as well as regulatory and governmental authorities.

For and on behalf of the Board of Directors

Lahore
28 September 2011

Shehryar Ali Taseer
Chief Executive Officer

Annexure-1

TRADING BY BOARD MEMBERS, COMPANY SECRETARY, CFO AND THEIR SPOUSE & MINOR CHILDREN

Directors	Opening balance as on 01-07-2010	Purchase	Bonus	Sale	Closing balance as on 30-06-2011
Salmaan Taseer (Late)	9,035,172	130,000	-		9,165,172
Aamna Taseer **(CEO)**	1,000	-	-	-	1,000
Shahbaz Ali Taseer	600	-	-	-	600
Shehryar Ali Taseer	600	-	-	-	600
Shehrbano Taseer	500	-	-	-	500
Maimanat Mohsin	560,500	-	-	-	560,500
Omer Subhan Salamat	-	500	-	-	500
Syed Kashan Hussain Kazmi	-	500	-	-	500
Spouces	-	-	-	-	-
Minor Children	-	-	-	-	-
Chief Financial Officer					
Waseem Raza	-	-	-	-	-
Company Secretary					
Nadeem Maqsood	-	-	-	-	-

KEY OPERATING AND FINANCIAL INDICATORS

KEY INDICATORS

Rupees

		2006	2007	2008	2009	2010	2011
Operating result							
Net Revenue		194,373,535	269,964,655	460,534,464	504,415,423	498,588,391	**378,729,276**
Gross profit/ (loss)		45,458,391	106,247,888	231,282,203	179,596,481	124,451,103	**51,803,673**
Profit / (loss) from operation		(18,397,191)	38,263,773	97,793,018	(7,501,300)	(68,655,195)	**(153,191,831)**
Profit / (loss) before tax		(29,110,539)	35,337,979	133,355,529	(23,758,875)	(108,304,127)	**(226,498,386)**
Profit / (loss) after tax		(24,505,387)	27,776,167	109,682,935	(2,578,657)	(73,627,367)	**(163,162,658)**
Financial Position							
Shareholder's equity		149,921,596	348,093,913	1,125,579,140	1,438,689,890	1,365,062,523	**1,201,899,865**
Property, plant & equipment-operating		115,904,535	135,006,167	1,118,958,250	1,133,914,950	1,234,004,913	**1,333,004,815**
Net current assets		10,001,287	79,448,098	92,729,643	173,546,031	158,922,289	**(12,480,956)**
Profitability							
Gross profit/(loss)	%	23.39	39.36	50.22	35.60	24.96	**13.68**
Operating profit/(loss)	%	(9.46)	14.17	21.23	(1.49)	(13.77)	**(40.45)**
Profit before tax/(loss)	%	(14.98)	13.09	28.96	(4.71)	(21.72)	**(59.80)**
Profit after tax/(loss)	%	(12.61)	10.29	23.82	(0.51)	(14.77)	**(43.08)**
Performance							
Fixed assets turnover	Times	1.68	2.00	0.41	0.44	0.40	**0.28**
Return on equity	%	(16.35)	7.98	9.74	(0.18)	(5.39)	**(0.136)**
Return on capital employed	%	(19.29)	7.47	6.92	(0.14)	(4.33)	**(0.106)**
Liquidity							
Current	Times	1.12	1.68	1.22	1.49	1.72	**0.96**
Quick	Times	0.97	1.55	0.92	1.01	1.61	**0.93**
Valuation							
Earnings/(loss) per share	Rs.	(1.41)	1.59	1.40	(0.02)	(0.55)	**(1.22)**
Break up value per share	Rs.	8.63	19.89	11.20	10.73	10.18	**8.96**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2011

INCORPORATION NUMBER: (0042608 OF 26-06-2001)

No. of Shareholders	Shareholdings			Shares Held
	From		To	
92	1	-	100	1,603
86	101	-	500	40,716
15	501	-	1000	13,178
14	1001	-	5000	34,796
1	5001	-	10000	6,000
2	15001	-	20000	31,510
1	30001	-	35000	31,386
1	35001	-	40000	36,560
1	105001	-	110000	110,000
1	560001	-	565000	560,500
1	665001	-	670000	669,700
1	1075001	-	1080000	1,079,669
1	1080001	-	1085000	1,081,035
1	1140001	-	1145000	1,145,000
1	2480001	-	2485000	2,483,373
1	2730001	-	2735000	2,732,000
1	3435001	-	3440000	3,440,000
1	4195001	-	4200000	4,199,500
1	4995001	-	5000000	5,000,000
1	6020001	-	6025000	6,021,000
1	9160001	-	9165000	9,164,672
1	12355001		12360000	12,358,615
1	24625001		24630000	24,629,000
1	25990001		25995000	25,993,431
1	33275001		33280000	33,275,014
229				**134,138,258**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2011

Categories of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	564,200	0.421
Associated Companies, undertakings and related parties.	36,353,815	27.102
NIT and ICP	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions	5,033,000	3.752
Insurance	-	-
Modarabas and Mutual Funds	-	-
Share holders holding 10% or more	91,417,114	68.151
General Public		
a) Local	10,516,496	7.840
b) Foreign	-	-
Others:		
- Joint Stock Companies	47,726,033	35.580
- Foreign Companies	33,944,714	25.306

Note: Some of the shareholders are reflected in more than one category.

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT 30 JUNE 2011

Shareholders' Category	Number of Shares held
Associated Companies, undertaking and related parties	
First Capital Securities Corporation Limited	32,148,669
Worldcall Telecom Limited	4,199,500
Mileage (Pvt) Limited	5,646
Directors, CEO and their Spouse and Minor Children	
Aamna Taseer	1,000
Shahbaz Ali Taseer	600
Shehryar Ali Taseer	600
Shehrbano Taseer	500
Mrs. Maimanat Mohsin	560,500
Umer Subhan Salamat	500
Syed Kashan Hussain Kazmi	500
Public Sector Companies and Corporations	47,726,033
Banks Development Financial Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Fund etc.	5,033,000
Shareholders holding 10% or more voting interest in the Company	
First Capital Securities Corporation Limited	32,148,669
Morgan Stanley & Co. Inc	33,275,014
First Capital Equities Limited	25,993,431

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2011

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1) The Board of Directors comprise of seven Directors. The Company encourages representation of independent non-executive directors on its Board. At present the board includes at least 2 independent non-executive directors.

2) The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

3) All the resident directors of the Company are registered as taxpayers and none of them has convicted by a Court of competent jurisdiction as a defaulter in payment of any loan to a banking company, a DFI or an NBFI. No one is a member of Stock Exchange.

4) All casual vacancies occurring in the Board were filed up by the directors within 30 days thereof.

5) The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.

6) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7) All the powers of the board have been duly exercised and decisions on material transactions.

8) The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9) The Board arranged orientation courses for its directors during the year to apprise them of their duties and responsibilities. Further the certification of directors under "The Board Development Series" program offered by Pakistan Institute of Corporate governance is in progress.

10) The Board has approved appointment of Company Secretary, Chief Financial Officer and Internal Auditors including remuneration and terms and conditions of employment, as determined by the CEO.

11) The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12) The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13) The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding

14) The Company has complied with all the corporate and financial reporting requirements of the Code.

15) The Board has formed an Audit Committee. At present the committee includes three non-executive directors including the chairman of the committee.

16) The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17) The Board has set-up an effective internal audit function having suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company.

18) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20) The Company has fully complied with the requirements on related party transaction to the extent as contained in the listing regulations of Stock Exchanges(s).

21) We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

Lahore
28 September 2011

Shehryar Ali Taseer
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **"Media Times Limited"** (the Company) to comply with the Listing Regulation No. 35 of Chapter XI of the Lahore Stock Exchange (Guarantee) Limited & Karachi Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A Review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance effective for the year ended June 30, 2011.

LAHORE
28 September 2011

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed statement of financial position of **MEDIA TIMES LIMITED ("the Company")** as at June 30, 2011 and the related income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance; 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

 (i) the statement of financial position and income statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

 (ii) the expenditure incurred during the year was for the purpose of the company's business; and

 (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2011; and of the Loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

LAHORE
28 September 2011

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 Rupees	2010 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	**1,333,004,815**	1,324,349,538
Intangible assets	4	**152,907,170**	153,173,970
Long term deposits	5	**14,537,706**	9,984,926
Television program costs	6	**50,170,535**	52,634,756
Deferred taxation	7	**170,328,653**	102,981,740
		1,720,948,879	1,643,124,930
CURRENT ASSETS			
Inventories	8	**7,154,508**	24,156,017
Current portion of television program costs	6	**76,953,897**	73,016,734
Trade debts	9	**134,580,854**	196,072,374
Loans and advances	10	**19,210,116**	21,106,509
Deposit & prepayments	11	**5,730,724**	20,474,481
Other receivables	12	**17,438,125**	25,839,092
Cash and bank balances	13	**7,824,258**	18,461,424
		268,892,482	379,126,631
TOTAL ASSETS		**1,989,841,361**	2,022,251,561
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
140,000,000 (2010: 140,000,000) ordinary shares of Rs. 10 each.		**1,400,000,000**	1,400,000,000
Issued, subscribed and paid up capital	14	**1,341,382,580**	1,341,382,580
Share premium	15	**76,223,440**	76,223,440
Unappropriated (loss)		**(215,706,155)**	(52,543,497)
		1,201,899,865	1,365,062,523
NON CURRENT LIABILITIES			
Long term finances	16	**441,484,904**	391,629,002
Staff retirement benefits	17	**54,438,208**	45,229,862
Liabilities against assets subject to finance lease	18	**10,644,946**	125,834
		506,568,058	436,984,698
CURRENT LIABILITIES			
Trade and other payables	19	**215,305,749**	128,843,485
Interest and mark-up accrued	20	**3,956,128**	984,777
Short term borrowings	21	**50,000,000**	51,262,745
Current maturities of long term liabilities	22	**12,111,561**	39,113,333
		281,373,438	220,204,340
Contingencies and commitments	23	**-**	-
TOTAL EQUITY AND LIABILITIES		**1,989,841,361**	2,022,251,561

The annexed notes 1 to 37 form an integral part of these financial statements.

Lahore: **Chief Executive** **Director**
28 September 2011

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Rupees	2010 Rupees
Revenue -Net	*24*	**378,729,276**	498,588,391
Direct cost	*25*	**(326,925,603)**	(374,137,288)
Gross profit		**51,803,673**	124,451,103
Operating cost	*26*	**(204,995,504)**	(193,106,298)
Operating loss		**(153,191,831)**	(68,655,195)
Finance cost	*27*	**(82,929,801)**	(42,452,371)
		(236,121,632)	(111,107,566)
Other operating income	*28*	**9,623,246**	2,803,439
Loss before taxation		**(226,498,386)**	(108,304,127)
Taxation	*29*	**63,335,728**	34,676,760
Loss after taxation		**(163,162,658)**	(73,627,367)
Loss per share - basic and diluted	*30*	**(1.22)**	(0.55)

The annexed notes 1 to 37 form an integral part of these financial statements.

Lahore: **Chief Executive** **Director**
28 September 2011

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	2011 Rupees	2010 Rupees
Loss after taxation	**(163,162,658)**	(73,627,367)
Total comprehensive loss for the year	**(163,162,658)**	(73,627,367)

The annexed notes 1 to 37 form an integral part of these financial statements.

Lahore: **Chief Executive** **Director**
28 September 2011

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Rupees	2010 Rupees
Cash flows from operating activities			
Cash generated from operations	*32*	**169,046,336**	259,896,562
(Increase)/decrease in long term deposits		**(4,552,780)**	15,120,960
Television programs costs		**(3,937,163)**	1,970,935
Retirement benefits paid		**(2,182,500)**	(5,946,780)
Finance cost paid		**(79,958,450)**	(48,550,189)
Taxes paid		**(2,791,050)**	(3,127,789)
Net cash generated from operating activities		**75,624,393**	219,363,609
Cash flow from investing activities			
Fixed capital expenditure		**(128,145,845)**	(128,348,476)
Sale proceeds of operating fixed assets		**9,773,789**	7,896,320
Proceed from Sale of short term investment		**-**	74,812,701
Net cash (used in) investing activities		**(118,372,056)**	(45,639,455)
Cash flow from financing activities			
Repayment of long term finances-Net		**44,401,357**	(90,600,509)
Repayment of short term borrowings		**(1,262,745)**	(26,344,553)
Repayment of finance lease liabilities-Net		**(11,028,115)**	(47,495,757)
Net cash (used in) / generated from financing activities		**32,110,497**	(164,440,819)
Net increase/(decrease) in cash and cash equivalents		**(10,637,166)**	9,283,425
Cash and cash equivalents at the beginning of the year		**18,461,424**	9,177,999
Cash and cash equivalents at the end of the year	*13*	**7,824,258**	18,461,424

The annexed notes 1 to 37 form an integral part of these financial statements.

Lahore: **Chief Executive** **Director**
28 September 2011

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Share capital	Capital reserves	Revenue reserve	Total
		Share premium	Unappropriated profit/(loss)	
	(Rupees)			
Balance as at 30 June 2009	1,341,382,580	76,223,440	21,083,870	1,438,689,890
Net loss for the year	-	-	(73,627,367)	(73,627,367)
Balance as at 30 June 2010	**1,341,382,580**	**76,223,440**	**(52,543,497)**	**1,365,062,523**
Net loss for the year	-	-	(163,162,658)	(163,162,658)
Balance as at 30 June 2011	**1,341,382,580**	**76,223,440**	**(215,706,155)**	**1,201,899,865**

The annexed notes 1 to 37 form an integral part of these financial statements.

Lahore:
28 September 2011

Chief Executive **Director**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1 The Company and its Operations

Media Times Limited (the "MTL" and or "Company") was incorporated in Pakistan on 26 June 2001 as a Private Limited Company under the Companies Ordinance, 1984 and was converted into Public Limited Company on 06 March 2007. The Company is listed on Karachi and Lahore Stock Exchanges. The registered office of the Company is located at 41-N, Industrial Area, Gulberg II, Lahore and is engaged in printing and publishing daily English and Urdu news papers by the name of "Daily Times" and "AajKal" respectively and also engaged in production, promotion, advertisement, distribution and broadcasting of television programs through satellite channels by the name of "Business Plus" and "Zaiqa" (formerly Wikkid Plus) respectively. The principal places of the business for "Business Plus" and "Zaiqa" is situated at Suite No. 302-304, The Plaza, G-7, Block-9, Clifton Karachi and for Newspapers is at 41-N, Industrial Area, Gulberg II, Lahore. The company has also applied to (PEMRA) for grant of license for entertainment channel which is under the process of approval.

2 Summary of significant accounting policies

The significant accounting policies adopted in preparation of financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, requirements of Companies Ordinance, 1984 or requirements of the said directives take precedence.

2.2 Accounting convention and basis of preparation

These financial statements have been prepared under the historical cost convention, except recognition of certain employee benefits at present value.

2.3 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Amortization of intangible assets - (note 2.6 & 4)
- Television program costs - (note 2.10 & 6)
- Useful life of depreciable assets- (note 2.5 & 3)
- Staff retirement benefits- (note 2.14 & 18)
- Taxation- (note 2.8 & 30)
- Provisions and contingencies- (note 2.19 & 24)

2.4 Standards, amendments and interpretations to existing standards effective in current year but not applicable / relevant to the company's operations.

The following standards, interpretations and amendments of approved accounting standards are effective from the date mentioned below.

Standard or Interpretation Effective date (accounting period beginning on or after)

IAS 1	Presentation of Financial Statements – amendments to revise the way other comprehensive income is presented	July 01, 2012
IAS 12	Income Tax (amendments) – deferred taxes: recovery of underlying assets	January 01, 2012
IAS 19	Employee benefits – amended standard resulting from the post-employment benefits and termination benefits projects	January 01, 2013
IAS 24	Related party Disclosures (Revised)	January 01, 2011
IFRS 7	Financial Instruments: Disclosures – amendments enhancing disclosures about transfers of financial assets	July 01, 2011
IFRS 9	Financial Instruments	January 01, 2015
IFRS 10	Consolidated financial statement	January 01, 2013
IFRS 11	Joint arrangements	January 01, 2013
IFRS 12	Disclosure of interest in other activities	January 01, 2013
IFRS 13	Fair value measurements	January 01, 2013
IFRIC 14	Prepayments of a minimum funding requirement (amendment)	January 01, 2011

2.5 Fixed capital expenditure and depreciation

Property, plant and equipment

Property, plant and equipment, are stated at cost less accumulated depreciation and impairment loss, if any. Cost in relation to self constructed assets include direct cost of material, labor and other allocable expenses.

Depreciation is charged to income on the straight line method whereby cost of an asset is written off over its estimated useful life at the rates given in note 3**.**

Residual value and the useful life of an asset is reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions is charged on a pro-rata basis from the month in which the asset is put to use, while no depreciation is charged for the month in which the asset is disposed off. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Maintenance and repairs are charged to income as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired. Gains and losses on disposals of assets are included in income.

Finance leases

Leases in terms of which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are stated at the lower of its fair value and present value of minimum lease payments at the date of commencement of lease, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the balance outstanding.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on a straight-line method at the rates given in note 3. Depreciation of leased assets is charged to income.

Residual value and the useful life of leased assets are reviewed at least at each financial year end.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Capital work-in-progress

These are stated at cost less any identified impairment loss.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between the cost of acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less impairment, if any.

Other intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. These are amortized using the straight line method at the rates given in note 4. Amortization on additions is charged on a pro-rata basis from the month of addition while no depreciation is charged for the month in which the asset is disposed off.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are charged to income as and when incurred.

Gain or loss arising on disposal and retirement of intangible asset is determined as a difference between net disposal proceeds and carrying amount of the asset and is recognized as income or expense in the income statement..

2.7 Investments

Investments that are acquired principally for the purpose of generating profit from short term fluctuations in price and returns are classified as held for trading.

Investments at fair value through profit and loss are initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition these are recognized at fair value unless fair value can not be reliably measured. The investments for which quoted market price is not available are measured at cost. Any surplus or deficit on revaluation of investments are charged to income currently.

The fair value of investments classified as held for trading is their quoted bid price at the statement of financial position date.

Investments with fixed or determinable payments and fixed maturity are classified as held to maturity when the company has positive intention and ability to hold to maturity. Investments intended to be held for and indefinite period are not included in this classification.

2.8 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is provided using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

2.9 Inventories

Inventories, except for in transit, are stated at lower of cost and net realizable value. Items in transit are valued at cost comprising invoice price plus other charges paid thereon.

Cost is determined on weighted average basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated incidental selling cost.

2.10 Television program costs

Television program costs represent unamortised cost of completed television programs and television programs in production. These costs include direct production costs, production overheads and are stated at the lower of cost, less accumulated amortisation and Net Realisable Value (NRV). NRV is estimated by the management on the basis of future revenue generation capacity of the program. Where the recoverable amount is less than its carrying amount, the program cost is written down to its recoverable amount and the impairment loss is recognised as an expense in the income statement. Acquired television program licenses and rights are recorded when the license period begins and the program is available for use. Marketing , distribution and general and administrative costs are expensed as incurred.

Television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the total revenues earned till to date to estimate remaining total revenues from all sources less cost expensed in prior years on an individual production basis.

Estimates of total revenues can change significantly due to a variety of factors, including advertising rates and the level of market acceptance of production. Accordingly, revenue estimates are reviewed periodically and amortisation is adjusted, if necessary. Such adjustments could have a material effect on results of operations in future periods.

2.11 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less impairment loss, if any. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of receivables.

2.12 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently at amortized cost using effective interest rate method.

2.13 Financial liabilities

Financial liabilities are classified according to substance of the contractual arrangements entered into. Significant financial liabilities include long term payables, borrowings, trade and other payables.

Interest bearing borrowings

Interest bearing borrowings are recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Other financial liabilities

All other financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently at amortized cost using effective interest rate method.

2.14 Retirement and other benefits

Defined benefit plan

The Company operates unfunded defined benefit gratuity plan for all permanent employees, having a service period of more than one year. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out annually under the projected unit credit method.

The Company recognizes actuarial gains/losses over the expected average remaining working lives of the current employees, to the extent that cumulative unrecognized actuarial gain/loss exceeds 10 per cent of present value of defined benefit obligation.

2.15 Impairment losses

The carrying amount of the Company's assets except for, inventories, investment property and deferred tax asset, are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. For goodwill, the recoverable amount is estimated at each statement of financial position date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been charged.

2.16 Foreign currencies

Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the statement of financial position date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

2.17 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for services rendered, net of discounts. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably. Revenue from different sources are recognized as follows:

- Sale of newspaper is recorded at the time of billing to agents.
- Advertisement revenue from newspaper is recorded at the time of publication of advertisement.
- Advertisement revenue from satellite channels is recognized when the related advertisement or commercial appears before the public i.e. on telecast.
- Sale of out dated newspaper is recognized on actual realiazation basis.
- Rental income from investment property is recognized on accrual basis
- Production, other services and media planning is recognized on completion of work.
- Income from bank deposits, loans and advances is recognized on an accrual basis.

2.18 Borrowing cost

Mark up, interest and other charges on long term borrowings are capitalized up to the date of commissioning of the related qualifying assets, acquired out of the proceeds of such long term borrowings. All other mark-up, interest and other charges are recognized as an expense in the period in which they are incurred.

2.19 Provisions

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

2.20 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the Company loses control of the contractual right that comprises the financial assets. Financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to income statement account currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.21 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from other segments.

2.22 Related Party transactions

All transaction involving related parties arising in the normal course of business are conducted at arms length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible, except in extremely rare circumstances where, it is in the interest of the Company to do so, subject to the approval of the board of directors.

	Note	2011 Rupees	2010 Rupees
3 Property, plant and equipment			
Operating assets	*3.1*	**1,115,046,655**	1,234,004,913
Capital work-in-progress-at cost	*3.3*	**217,958,160**	90,344,625
		1,333,004,815	1,324,349,538

3.1 Operating assets

	Leasehold	Plant and equipment		Office equipment		Computers		Furniture	Vehicles		Total
	improvements	Owned	Under Finance Lease	Owned	Under Finance Lease	Owned	Under Finance Lease	and Fixtures	Owned	Under Finance Lease	
						-----Rupees-----					
Net Carrying Value Basis											
Year Ended 30 June 2011											
Opening net book value (NBV)	64,311,356	1,013,219,784	65,853,387	43,621,484	104,689	11,359,742	62,683	9,445,973	7,790,636	18,235,179	1,234,004,913
Additions (at cost)	-	174,000	-	341,510	-	16,800	-	-	-		532,310
Transferred from Leased Assets											
Cost	-		-	-	-	-	-	-	1,244,250	(1,244,250)	-
Accumulated depreciation	-		-	-	-	-	-	-	(642,863)	642,863	-
	-	-	-	-	-	-	-	-	601,388	(601,388)	-
Disposals (at NBV)		-	-	-		-			(1,577,819)	(1,284,551)	(2,862,370)
Depreciation charge	(3,920,247)	(80,292,439)	(5,443,602)	(6,169,047)	(13,569)	(9,895,157)	(62,683)	(1,462,542)	(3,296,180)	(6,072,733)	(116,628,199)
Closing net book value (NBV)	**60,391,109**	**933,101,345**	**60,409,785**	**37,793,947**	**91,120**	**1,481,385**	**-**	**7,983,431**	**3,518,025**	**10,276,508**	**1,115,046,655**
Gross Carrying Value Basis											
At 30 June 2011											
Cost	73,089,962	1,217,659,247	77,434,060	61,893,446	135,688	48,094,349	272,541	14,562,060	18,094,854	30,393,839	1,541,630,046
Accumulated depreciation	(12,698,853)	(284,557,902)	(17,024,275)	(24,099,499)	(44,568)	(46,612,964)	(272,541)	(6,578,629)	(14,576,829)	(20,117,331)	(426,583,391)
Net book value	60,391,109	933,101,345	60,409,785	37,793,947	91,120	1,481,385	-	7,983,431	3,518,025	10,276,508	**1,115,046,655**
Net Carrying Value Basis											
Year Ended 30 June 2010											
Opening net book value (NBV)	63,747,871	877,567,725	71,296,988	47,296,817	118,258	22,947,943	152,622	10,773,391	4,145,538	35,867,497	1,133,914,650
Additions (at cost)	4,296,991	228,363,749	-	2,376,301	-	750,967	-	120,022	38,500		235,946,530
Transferred from Leased Assets											
Cost	-		-	-	-	-	-	-	12,616,817	(12,616,817)	-
Accumulated depreciation	-		-	-	-	-	-	-	(6,407,020)	6,407,020	-
	-	-	-	-	-	-	-	-	6,209,797	(6,209,797)	-
Disposals (at NBV)		(2,949,639)	-	(7,677)		(436,759)			(722,033)	(2,343,100)	(6,459,208)
Depreciation charge	(3,733,506)	(89,762,051)	(5,443,601)	(6,043,957)	(13,569)	(11,902,410)	(89,939)	(1,447,439)	(1,881,165)	(9,079,421)	(129,397,059)
Closing net book value (NBV)	**64,311,356**	**1,013,219,784**	**65,853,387**	**43,621,484**	**104,689**	**11,359,741**	**62,683**	**9,445,974**	**7,790,636**	**18,235,179**	**1,234,004,913**
Gross Carrying Value Basis											
At 30 June 2010											
Cost	73,089,962	1,217,485,247	77,434,060	61,551,936	135,688	48,077,549	272,541	14,562,060	23,340,454	34,971,038	1,550,920,535
Accumulated depreciation	(8,778,606)	(204,265,463)	(11,580,673)	(17,930,452)	(30,999)	(36,717,808)	(209,858)	(5,116,086)	(15,549,818)	(16,735,859)	(316,915,622)
Net book value	64,311,356	1,013,219,784	65,853,387	43,621,484	104,689	11,359,741	62,683	9,445,974	7,790,636	18,235,179	**1,234,004,913**
Depreciation Rate %	**5**	**6.67-10**	**6.67-10**	**10**	**10**	**33**	**33**	**10**	**20**	**20**	

	2011 Rupees	2010 Rupees
3.2 Depreciation charge for the year has been allocated as follows:		
Direct cost	67,857,942	95,205,652
Operating cost	29,644,617	34,191,407
	97,502,559	129,397,059
3.3 Capital work in progress - at cost		
Owned		
Plant & equipment	**217,958,160**	90,344,625
	217,958,160	90,344,625

These represents costs incurred during the setup of the company's new projects and include, production and broadcasting equipment, civil works, networking, and other related project development costs.

3.4 Detail of certain property, plant and equipment disposed during the year is as follows:

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Sold to
Vehicles						
Cultus LED-07-3836	555,000	397,713	157,287	525,000	Negotiation	Pace Pakistan Limited
Liana -LEF-4414	794,000	595,553	198,447	600,000	Negotiation	Zaka Khan
Honda Civic-LRA-3599	980,500	980,500	-	605,000	Negotiation	Shafqat Ahmed S/o Mushtaq
Liana - LEF-07-4397	794,000	542,514	251,486	850,000	Negotiation	First Capital Investments Limited
Liana - LEF-07-5403	800,949	387,072	413,877	850,000	Negotiation	First Capital Investments Limited
Honda Civic - AEW-282	1,195,000	1,195,000	-	1,000,000	Negotiation	First Capital Investments Limited
Cultus - LEJ-07-6331	555,000	268,213	286,787	600,000	Negotiation	First Capital Investments Limited
Honda Civic - LEH-07-8258	1,422,000	995,400	426,600	1,400,000	Negotiation	Nasir Bashir Khan
Honda Civic VTI PT 1.8 IVTEC,2007,LEH-07-9450	1,244,250	725,813	518,438	1,400,000	Negotiation	First Capital Securities Corp. Limited
Suzuki Cultus VXR,CNG,2004,LRS-8180	59,000	35,472	23,528	307,000	Negotiation	Rizwan Ahmed
Honda City Vario,2007,LEE-07-7586	895,500	507,450	388,050	950,000	Negotiation	Muhammad Ilyas
Coure,2007,LEH-07-8940	490,000	302,167	187,833	416,789	Negotiation	Malik Habib
Suzuki Mehran 2003 LRS-9008	37,600	27,563	10,037	270,000	Negotiation	Shafqat Rani w/o Anwar Ul Haq
Total	**9,822,799**	**6,960,430**	**2,862,370**	**9,773,789**		

4. Intangible assets

	Licences	Software	Goodwill	Total
		(Rupees)		
Net Carrying Value Basis Year Ended 30 June 2011				
Opening net book value (NBV)	3,444,162	-	149,729,808	153,173,970
Additions during the year	-	-	-	-
Amortization during the year	(266,800)	-	-	(266,800)
Closing net book value (NBV)	**3,177,362**	**-**	**149,729,808**	**152,907,170**
Gross Carrying Value Basis At 30 June 2011				
Cost	4,000,000	422,000	149,729,808	154,151,808
Accumulated amortization	(822,638)	(422,000)	-	(1,244,638)
Net book value	**3,177,362**	**-**	**149,729,808**	**152,907,170**
Net Carrying Value Basis Year Ended 30 June 2010				
Opening net book value (NBV)	3,710,962	337,600	149,729,808	153,778,370
Additions during the year	-	-	-	-
Amortization during the year	(266,800)	(337,600)	-	(604,400)
Closing net book value (NBV)	3,444,162	-	149,729,808	153,173,970
Gross Carrying Value Basis At 30 June 2010				
Cost	4,000,000	422,000	149,729,808	154,151,808
Accumulated amortization	(555,838)	(422,000)	-	(977,838)
Net book value	3,444,162	-	149,729,808	153,173,970
Amortization Rate % per annum	**6.67**	**20**	**-**	

4.1 Amortization charge for the year has been allocated as follows:

	Note	2011 Rupees	2010 Rupees
Direct Cost	*25*	**266,800**	200,100
Capital work in progress		-	404,300
		266,800	604,400

4.2 Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable asset acquired at the time of merger of Total Media Limited and Media Times Limited.

The Company assessed the recoverable amount of goodwill and determined that no impairment was found. The recoverable amount was assessed by reference to value in use which uses cash flow projections based on budgets approved by the management covering five years period and a discount rate of 20% per annum. Cash flow projections during the budget period are based on the same expected gross margins during the budget period. The cash flows beyond the five years period have been extrapolated using a steady 3% growth rate which is consistent with the long-term average rate for the industry.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate amount to exceed the aggregate recoverable amount of the cash generating unit.

		Note	2011 Rupees	2010 Rupees
5	**Long term deposits**			
	Deposits with financial institutions		**8,861,647**	10,079,147
	Others		**9,029,750**	9,914,526
			17,891,397	19,993,673
	Less: Current maturity	*11*	**(3,353,691)**	(10,008,747)
			14,537,706	9,984,926
6	**Television Program costs**			
	Unreleased / released less amortization		**127,124,432**	125,651,490
	Less: Current Portion of television program costs		**76,953,897**	73,016,734
			50,170,535	52,634,756
7	**Deferred taxation**			
	This is composed of:			
	Liability for deferred taxation comprising temporary taxable differences related to:			
	Accelerated tax depreciation		**(231,340,106)**	(243,387,122)
	Asset for deferred taxation comprising deductible temporary differences related to:			
	Unused tax losses and tax credits		**384,417,070**	337,363,195
	Others		**17,251,689**	9,005,668
			170,328,653	102,981,740
8	**Inventories**		**7,154,508**	24,156,017
9	**Trade debts**			
	Considered good - Unsecured			
	Receivable against advertisement		**118,675,810**	172,971,984
	Receivable against Newspaper		**13,622,525**	10,351,593
	Receivable against production & other services		**2,282,519**	12,748,797
			134,580,854	196,072,374
	Considered doubtful - Unsecured			
	Receivable against advertisement		**46,484,490**	34,583,186
	Receivable against Newspaper		**934,202**	934,202
			47,418,692	35,517,388
			181,999,546	231,589,762
	Less: Provision for doubtful trade debts		**(47,418,692)**	(35,517,388)
			134,580,854	196,072,374

	Note	2011 Rupees	2010 Rupees
9.1 Provision for doubtful debts			
Opening balance		**35,517,388**	23,336,393
Addition during the year		**50,524,347**	12,180,995
Less: written off during the year		**(38,623,043)**	-
		47,418,692	35,517,388

10 Loans and advances

	Note	2011 Rupees	2010 Rupees
Advances - Unsecured - Considered good			
-Salary	*10.1*	**12,275,025**	3,252,433
-Expense		**5,050,065**	4,592,519
-Supplier		**1,885,026**	13,261,557
		19,210,116	21,106,509

10.1 These are interest free and include advances given to executives of Rs. 5.67 million (June 2010 : Rs. 1.72 million) as per the company policy.

	Note	2011 Rupees	2010 Rupees
11 Deposit and prepayments			
Short term deposits		**760,000**	760,000
Current maturity of long term deposits	*5*	**3,353,691**	10,008,747
Prepayments		**1,617,033**	9,705,734
		5,730,724	20,474,481
12 Other receivables			
Advance tax		**16,208,275**	17,428,410
Others		**1,229,850**	8,410,682
		17,438,125	25,839,092
13 Cash and bank balances			
At banks in			
Current accounts		**7,133,975**	15,470,290
Saving accounts	*13.1*	**649,638**	1,804,363
		7,783,613	17,274,653
Cash in hand		**40,645**	64,841
Cheques in hand		**-**	1,121,930
		7,824,258	18,461,424

13.1 The balances in saving accounts bear mark up at the rate of 5% to 10% (June 2010: 5% to 10%) per annum.

	2011 Rupees	2010 Rupees
14 Issued, subscribed and paid up capital		
91,158,598 (June 2010: 91,158,598) Ordinary share of Rs. 10 each fully paid in cash	**911,585,980**	911,585,980
42,979,660 (June 2010: 42,979,660) Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger.	**429,796,600**	429,796,600
	1,341,382,580	1,341,382,580

Reconciliation of Issued, subscribed and paid up capital	No of Shares	
Opening balance	**134,138,258**	134,138,258
Issued as fully paid in cash	**-**	-
	134,138,258	134,138,258

14.1 First Capital Securities Corporation Limited (FCSC), the associated company holds 32,148,669 (2010: 30,049,669) shares with a percentage of 23.97% (2010: 22.40%)

15 Share Premium

The reserve can be utilized by the Company only for the purposes specified in section 83(2) of the companies Ordinance, 1984.

	Note	2011 Rupees	2010 Rupees
16 Long term finances			
Banking companies and other financial institutions			
First National Bank Modarba - Secured	*16.1*	**4,545,455**	10,000,000
Associated companies - Unsecured	*16.2*	**441,484,904**	391,629,002
		446,030,359	401,629,002
Less: current portion shown under current liabilities			
First National Bank Modarba - Secured	*22*	**(4,545,455)**	(10,000,000)
		441,484,904	391,629,002

16.1 The Company has arranged a Modaraba finance from First National Bank Modaraba for an amount of Rs. 30 million (June 2010 : 30 million) against security of various equipment, Stores and Spares, Furniture & Fixture, Plant & Machinery, Vehicles etc. for the period of three years. The Mark up is charged @ 16.11% per annum based on Timely Payment Profit Rate(TPPR) payable on half yearly basis.

16.2 This represents unsecured long term loans from associated companies carrying mark-up at the rate 16.00 % to 18.00% per annum (June 2010:16.50% to 18%) payable on quarterly basis.

17 Staff Retirement benefits

Gratuity

	2011 Rupees	2010 Rupees
Amount recognized in the Statement of financial position are as follows:		
Present value of defined benefit obligation	**52,826,461**	42,523,263
Unrecognized actuarial Gains	**1,791,990**	3,067,085
Unrecognized transitional liability	**(180,243)**	(360,486)
Liability at year end	**54,438,208**	45,229,862

17.1 **Movement in net obligation**

	2011 Rupees	2010 Rupees
Net liability beginning of the year	**45,229,862**	36,543,504
Charge for the year	**11,390,846**	14,633,138
Paid during the year	**(2,182,500)**	(5,946,780)
Net liability at year end	**54,438,208**	45,229,862

17.2 **Movement in present value of defined benefit obligation is as follows:**

	2011 Rupees	2010 Rupees
Present value of defined benefit obligation at the beginning of the year	**42,523,263**	34,469,852
Current service cost	**7,457,431**	10,316,513
Interest cost	**3,753,172**	4,136,382
Benefit paid during the year	**(2,182,500)**	(5,946,780)
Actuarial gain/(loss)	**1,275,095**	(452,704)
Present value of defined benefit obligation at year end	**52,826,461**	42,523,263

17.3 **Salaries, wages and other benefits include following in respect of retirement benefits**

	2011 Rupees	2010 Rupees
Current service cost	**7,457,431**	10,316,513
Interest cost	**3,753,172**	4,136,382
Liability charged due to application of IAS-19	**180,243**	180,243
Total amount chargeable to P&L account	**11,390,846**	**14,633,138**

17.4 Recent actuarial valuation of the plan was carried out on 30 June 2011 by Nauman Associates.

17.5 **Principal actuarial assumptions**

	2011	2010
Discount rate	**14% per annum**	12% per annum
Expected rate of Eligible Salary increase in future years	**12% per annum**	10% per annum
Average expected remaining working life time of employees	**12 years**	12 years

	2011 Rupees	2010 Rupees	2009 Rupees	2008 Rupees
17.6 **Historical information for gratuity plan**				
Present value of defined benefit obligation	**52,826,461**	42,523,263	34,469,852	31,077,041
Actuarial experience adjustments on plan liabilities	**(1,275,095)**	452,704	3,482,085	799,514

	Note	2011 Rupees	2010 Rupees
18 Liabilities against assets subject to finance lease			
Present value of minimum lease payments		**18,211,052**	29,239,167
Less: Current portion shown under current liabilities	*22*	**(7,566,106)**	(29,113,333)
		10,644,946	125,834

Interest rate used as discounting factor ranging from 16.93% to 18.75% per annum (June 2010: 12.94 % to 18.33% per annum). Taxes, repairs, replacements and insurance costs are to be borne by lessee. Under the terms of the agreements, the Company has an option to acquire the assets at the end of the respective lease term by adjusting the deposit amount against the residual value of the asset and the Company intends to exercise the option. In case of default in payment of instalments the Company will be liable to pay additional lease rental on overdue payment at the rate of 0.1% per day (June 2010: 0.1% per day).

The amount of future payments of the lease and the period in which these payments will become due are as follows:

	2011			2010		
	Minimum Lease Payment	**Finance charge for future periods**	**Present value of minimum lease payments**	Minimum Lease Payment	Finance charge for future periods	Present value of minimum lease payments
		(Rupees)			(Rupees)	
Not later than one year	**9,495,786**	**1,929,680**	**7,566,106**	30,133,478	1,020,145	29,113,333
Later than one year but not later than five year	**11,163,608**	**518,662**	**10,644,946**	126,713	879	125,834
	20,659,394	**2,448,342**	**18,211,052**	30,260,191	1,021,024	29,239,167

	2011 Rupees	2010 Rupees
19 Trade and other payables		
Trade creditors	**87,601,102**	63,718,973
Advance from Customers	**-**	7,331,203
Accrued and other liabilities	**115,298,459**	48,166,421
Sales tax payable	**608,923**	2,968,561
Tax deducted at source	**11,797,265**	6,658,327
	215,305,749	128,843,485
20 Interest and markup accrued		
Long term financing	**3,884,704**	754,742
Finance lease	**71,424**	230,035
	3,956,128	984,777

	Note	2011 Rupees	2010 Rupees
21 Short term borrowing-secured			
Banking companies and other financial institutions			
Running finance	*21.1*	**50,000,000**	50,000,000
Unsecured- Book Overdraft	*21.2*	**-**	1,262,745
		50,000,000	51,262,745

21.1 Running Finance facility available from commercial bank under mark up arrangements amounts to Rs. 50 million (June 2010: Rs. 50 million). Mark up is charged at 3 months KIBOR plus 3.5 % per annum, payable on quarterly basis. It is secured by way of exclusive charge on present and future current and fixed assets of the Company.

21.2 This was due to issuance of cheques in excess of balance at bank.

	Note	2011 Rupees	2010 Rupees
22 Current maturities of non-current liabilities			
Long term finances	*16*	**4,545,455**	10,000,000
Liabilities against assets subject to finance lease	*18*	**7,566,106**	29,113,333
		12,111,561	39,113,333

23 Contingencies and commitments

23.1 In the year 2010 the Assistant Commissioner of Inland Revenue Lahore passed an order against the Company for alleged short payment of Rs. 6.87 million under section 11(2) & 36(1) and imposed a penalty, equivalent to the amount of original alleged payment. The Company being aggrieved of the order of Assistant Commissioner filed appeal before Commissioner Inland Revenue Appeals-III Lahore. The Commissioner Appeals Set-a-side the appeal of the Company with directions to the assessing Officer. Subsequently the Company filed appeal in Income Tax Appellate Tribunal Lahore, which is pending for adjudication.

	Note	2011 Rupees	2010 Rupees
23.2 Commitments in respect of capital expenditure		**-**	814,524
23.3 Commitments in respect of content/programs		**1,160,709**	6,434,709
24 Revenue -Net			
Advertisement		**364,078,604**	502,306,808
Newspaper		**85,194,359**	60,084,216
Printing-PTBB		**-**	9,474,040
Production and other services		**12,413,480**	11,763,959
		461,686,443	583,629,023
Less:			
Sales tax		**(8,804,230)**	(13,340,583)
Discount and commission		**(74,152,937)**	(71,700,049)
		(82,957,167)	(85,040,632)
		378,729,276	498,588,391

		Note	2011 Rupees	2010 Rupees
25	**Direct cost**			
	Salaries, wages and benefits		**93,732,824**	81,834,908
	News Print Paper		**71,513,761**	66,919,743
	Stores and spares		**19,005,070**	13,271,638
	Printing Charges		**13,185,780**	22,011,669
	Programming and content		**17,866,541**	57,315,305
	Transmission and uplinking		**12,127,314**	13,941,348
	Insurance		**5,198,449**	2,737,174
	News agencies charges		**5,232,767**	5,001,217
	Repair and maintenance		**2,328,016**	3,086,514
	Utilities		**13,466,962**	8,722,839
	Freight and carriage		**4,144,210**	2,887,773
	Depreciation	*3.2*	**67,857,942**	95,205,652
	Amortization of intangible assets	*4.1*	**266,800**	200,104
	Others		**999,167**	1,001,404
			326,925,603	374,137,288
26	**Operating cost**			
	Salaries, wages and benefits		**44,207,099**	66,653,096
	Marketing, selling and distribution		**7,417,541**	6,015,529
	Rent, rates and taxes		**14,004,420**	10,469,519
	Communications		**7,659,679**	11,433,094
	Vehicle running and maintenance		**11,329,495**	12,241,956
	Legal and professional		**3,571,463**	2,595,897
	Insurance		**5,053,452**	3,657,760
	Utilities		**6,734,586**	7,818,328
	Printing and stationary		**2,370,124**	2,521,655
	Entertainment		**5,347,136**	6,171,113
	Travel and conveyance		**4,149,215**	3,901,729
	Repairs and maintenance		**4,677,960**	6,754,662
	Provision for doubtful trade debts		**11,901,304**	12,180,995
	Bad debts written off		**38,623,043**	-
	Fees and subscriptions		**2,254,365**	2,243,850
	Postage and courier		**341,151**	439,961
	Newspapers and periodicals		**1,066,492**	852,448
	Auditor's remuneration	*26.1*	**528,000**	507,500
	Depreciation	*3.2*	**29,644,617**	34,191,407
	Miscellaneous		**4,114,362**	2,455,803
			204,995,503	193,106,298
	26.1 **Auditor's remuneration**			
	Statutory audit fee		**300,000**	300,000
	Half yearly review fee		**150,000**	150,000
	Certifications		**50,000**	50,000
	Out of pocket expenses		**28,000**	7,500
			528,000	507,500

		Note	2011 Rupees	2010 Rupees
27	**Finance cost**			
	Mark-up on long term finances		**77,053,344**	33,681,414
	Mark-up on short term finances		**3,988,440**	5,540,533
	Financial charge on leased liabilities		**1,659,248**	2,975,579
	Bank charges and commission		**228,769**	254,845
			82,929,801	42,452,371
28	**Other operating income**			
	Income from financial assets			
	Profit on deposits with banks		**122,890**	230,031
	Income from non-financial assets			
	Rental income		**2,588,936**	-
	Gain on disposal of operating fixed assets		**6,911,420**	1,437,110
	Interest on Placement		**-**	7,089,695
	Loss on short term investment		**-**	(187,299)
	Miscellaneous		**-**	(5,766,098)
			9,500,356	2,573,408
			9,623,246	2,803,439
29	**Taxation**			
	Current year			
	Current		**4,011,186**	2,492,942
	Deferred		**(67,346,914)**	(37,169,702)
			(63,335,728)	(34,676,760)
30	**Loss per share-Basic & diluted**			
	Loss after taxation available for distribution to ordinary shareholders	*Rupees*	**(163,162,658)**	(73,627,367)
	Weighted average number of ordinary shares	*Number*	**134,138,258**	134,138,258
	Loss per share-Basic & diluted	*Rupees*	**(1.22)**	(0.55)

31 Related party transactions

The related parties comprise associated companies, related group companies, directors of the Company, companies where directors also hold directorship, and key management employees. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2011 Rupees	2010 Rupees
Associates:		
Rental Income	**2,588,936**	-
Purchase of goods and services	**8,859,376**	8,202,767
Sale of goods and services	**25,132,703**	21,096,790
Interest on loan	**70,989,448**	70,090,247
Loan repayment	**42,049,377**	41,102,497

All transactions with related parties have been carried out on commercial terms and conditions. There are no transactions with key management personal other than under the term of employment.

32 Cash generated from operations

	2011 Rupees	2010 Rupees
Loss before taxation	**(226,498,385)**	(108,304,127)
Adjustment for non-cash charges and other items:		
Depreciation	**116,628,199**	129,397,059
Amortization of intangible assets	**266,800**	604,400
Provision for doubtful receivables - Net	**11,901,304**	12,180,995
Gain on disposal of operating fixed assets	**(6,911,420)**	(1,437,110)
Loss on short term investment	**-**	187,299
Retirement benefits	**11,390,846**	14,633,138
Finance cost	**82,929,801**	42,452,371
(Loss)/Profit before working capital changes	**(10,292,855)**	89,714,024
Effect on cash flow due to working capital changes:		
Inventories	**17,001,509**	71,200,345
Television programs costs	**2,464,221**	44,660,263
Trade debts	**49,590,216**	(19,037,786)
Loans and advances	**1,896,393**	13,750,042
Deposit & prepayments	**14,743,757**	(697,621)
Other receivables	**7,180,831**	5,944,652
Trade and other payables	**86,462,264**	54,362,643
	179,339,191	170,182,538
	169,046,336	259,896,563

34 Remuneration of chief executive, directors and executives

The aggregate amounts charged in these financial statements during the year for remuneration, including certain benefits, to the chief executive, directors and executives of the Company were as follows:

	Directors		Executives	
	2011	2010	2011	2010
	(Rupees)		(Rupees)	
Managerial remuneration	**733,333**	940,000	**22,543,003**	24,575,361
Retirement benefits	**224,932**	2,100,000	**18,764,699**	15,237,220
Housing	**293,333**	376,000	**9,017,201**	9,830,144
Utilities	**73,333**	94,000	**2,254,300**	2,457,536
	1,324,931	3,510,000	**52,579,203**	52,100,261
Number of persons	**1**	3	**28**	28

The certain executives of the Company are provided with Company maintained vehicles.

No meeting fee was paid to directors during the year (June 2010: Rs. Nil)

No remuneration was paid to chief executive during the year (June 2010: Rs. Nil)

34 Financial instruments

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various source of finance to minimize the risk.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

34.1 Credit risk

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

- Monitoring of debts on continuous basis.
- Application of credit limits to its customers.
- Obtaining adequate deposits / collaterals where needed.

34.1.1 Exposure to credit risk

The carrying values of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2011 Rupees	2010 Rupees
Trade debts	**134,580,854**	196,072,374
Loans and advances	**12,275,025**	3,252,433
Deposits & prepayments	**4,113,691**	10,768,747
Other receivables	**1,229,850**	8,410,682
Bank balances	**7,783,613**	18,396,583
	159,983,033	236,900,819

The credit quality of financial assets can be assessed by reference to external credit rating as follows:

	Rating Short Term	Rating Long Term	Rating Agency	2011 Rupees	2010 Rupees
Habib Metropolitian Bank Limited	A 1 +	AA +	PACRA	**409,462**	178,656
Bank Alfalah Limited	A 1 +	AA	PACRA	**646,022**	86,945
Faysal Bank Limited	A 1 +	AA	PACRA	**986,855**	5,297,563
KASB Bank Limited	A 2	A-	PACRA	**2,775**	3,075
Standard Chartered Bank of Pakistan Ltd	A 1 +	AAA	PACRA	**3,661,882**	11,624,920
NIB Bank Limited	A 1 +	AA-	PACRA	**10,119**	29,073
Arif Habib Bank Limited	A 2	A	JCR - VIS	**8,920**	9,660
Soneri Bank Limited	A 1 +	AA -	PACRA	**2,057,578**	44,761
				7,783,613	17,274,653

The age of trade debts at the reporting date was:

	2011	2010
Past due but not impaired		
Past due 0 - 30 days	**21,717,515**	70,644,869
Past due 31 - 60 days	**15,166,838**	24,154,093
Past due 61 - 90 days	**11,966,404**	27,956,932
Past due 91 - 120 days	**15,570,331**	15,010,609
Past due 121 days	**70,159,767**	58,305,871
	134,580,854	196,072,374

As at 30 June 2011 trade debts of Rs. 47,418,692 (June 2010 : Rs. 35,517,388) were provided for written off.

34.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Company believes that it is not exposed to any significant level of liquidity risk.

The following are the contractual maturities of financial liabilities.

	June 2011			June 2010		
	Maturity up to one year	Maturity after one year not later then five years	Total	Maturity up to one year	Maturity after one year not later then five years	Total
Liabilities against assets subject to finance lease	**7,566,106**	**10,644,946**	**18,211,052**	29,113,333	125,834	29,239,167
Long term financing	**4,545,455**	**441,484,904**	**446,030,359**	10,000,000	391,629,002	401,629,002
Trade & other payables - Unsecured	**215,305,749**	**-**	**215,305,749**	128,843,485	-	128,843,485
Short term borrowing - secured	**50,000,000**	**-**	**50,000,000**	51,262,745	-	51,262,745
Interest accrued	**3,956,128**	**-**	**3,956,128**	984,777	-	984,777
	281,373,438	**452,129,850**	**733,503,288**	220,204,340	391,754,836	611,959,176

34.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

34.3.1 Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currency. Foreign currency risk arises mainly where payable/receivable exist due to transactions with foreign clients. The company does not view hedging as being financially feasible owing to the excessive cost involved in relation to the amount at risk. However the company is not exposed to any significant currency risk.

34.3.2 Interest rate risk

Interest rate risk is the risk of decline in earnings due to adverse movement of the interest rate curve. Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. Information about the Company's exposure to interest rate risk based on contractual refinancing, is as follows:

	2011 Rupees	2010 Rupees
Fixed rate instruments:		
Financial Assets	**-**	-
Financial liabilities		
Long Term Finances	**441,484,904**	391,629,002
Variable rate instruments:		
Financial liabilities	**72,756,507**	90,501,912
Long Term Finances	**4,545,455**	10,000,000
Liabilities against assets subject to finance lease	**18,211,052**	29,239,167
Short term borrowings	**50,000,000**	51,262,745

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect income statement account.

Cash value sensitivity analysis for variable rate instruments

An increase of 1 % in interest rate at the reporting date would have increased mark up by Rs. 4,517,296 (June 2010 : Rs. 3,930,852). Similarly a decrease of 1 % in interest rate would have decrease mark up by a Rs. 4,516,261 (June 2010 : Rs. 3,933,640). This analysis assumes that all other variable remain constant.

The sensitivity analysis prepared is not necessarily indicative of the effect on loss for the year and assets / liabilities of the Company.

34.3.3 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments.

34.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

34.4 Capital Risk Management

The company's objective when managing capital are to safeguard the company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optional capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the company monitors the capital structure on the basis of gearing ratio. The ratio is calculated as borrowings divided by total capital employed. Borrowings represents long and short term financings obtained by the company. Total Capital employed includes "Total Equity" as shown in the statement of financial position plus "borrowings".

During the year, the Company strategy was to maintain leveraged gearing. The gearing ratios as at 30 June 2011 and as at 30 June 2010 were as follows;

	2011	2010
	Carrying amount (Rs.)	
Total Borrowings	**514,241,411**	482,130,914
Total Equity	**1,201,899,865**	1,365,062,523
Total Capital Employed	**1,716,141,276**	1,847,193,437
Gearing Ratio	**30%**	26%

The company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

35 Segment reporting

Segment information is presented in respect of the Company's business. The primary format, business segment, is based on the Company's management reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

The Company's operations comprise of the following main business segments:

- Print media division which comprises of "Daily Times" and "AajKal" being the Daily English and Urdu newspapers respectively.

- Electronic media division comprises of "Business Plus" and "Zaiqa".

Segment analysis for the year ended 30 June 2011

	Print Media	Electronic Media	Total
		(Rupees)	
Sales			
External sales			
Advertisement	**301,388,929**	**62,689,675**	**364,078,604**
Newspaper	**85,194,359**	**-**	**85,194,359**
Production and other services	**6,263,200**	**6,150,280**	**12,413,480**
Sales tax	**-**	**(8,804,230)**	**(8,804,230)**
Discount and commission	**(66,604,173)**	**(7,548,764)**	**(74,152,937)**
Total revenue - net	**326,242,315**	**52,486,961**	**378,729,276**

	Print Media	Electronic Media	Total
		(Rupees)	
(Loss) before tax and unallocated expenses	**(172,643,806)**	**(53,854,580)**	**(226,498,386)**
Unallocated corporate expenses			
Taxation			**63,335,728**
Loss after taxation			**(163,162,658)**
Segment assets and liabilities			
Segment assets	**1,328,653,845**	**490,858,863**	**1,819,512,708**
Unallocated segment assets	**-**	**-**	**170,328,653**
Consolidated total assets			**1,989,841,361**
Segment liabilities	**607,075,226**	**180,866,270**	**787,941,496**
Consolidated total liabilities			**787,941,496**

	Print Media	Electronic Media	Total
		(Rupees)	
Segment capital expenditure	**122,810**	**409,500**	**532,310**
Depreciation and amortization	**60,305,508**	**56,589,492**	**116,894,999**

36 Date of authorization for issue

These financial statements were authorized for issue on 28 September 2011 by the Board of Directors.

37 General

37.1 No significant re-classification / re-arrangement have been made during the year.

37.2 Figures have been rounded off to the nearest of rupee.

Lahore: **Chief Executive** **Director**
28 September 2011

FORM OF PROXY

The Company Secretary
Media Times Limited
41-N, Industrial Area, Gulberg-II,
Lahore

Folio No./CDC A/c. No. ______________

Shares Held: ______________

I / We ______________________________________ of ______________________________________
(Name) *(Address)*

being the member (s) of **Media Times Limited** hereby appoint Mr. / Mrs./ Miss __________________

____ of _____________________________________
(Name) *(Address)*

or failing him / her / Mr. / Mrs. / Miss. ____________________________ of _________________________
(Name) *(Address)*

[who is also member of the Company vide Registered Folio No. /CDC A/c. No. _____________ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my / our behalf at an Annual General Meeting of the Company to be held at the Head Office of the Company, 103-C/II, Gulberg-III, Lahore, on 31 October 2011 at 1:00 p.m. and at any adjournment thereof.

Signature this ___________________ Day of _________________ 2011.

(Witnesses)

1.___________________

2.___________________

Affix Revenue Stamp
of Rupees Five

Signature _____________________________
(signature appended should agree with the specimen signature registered with the Company)

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.

3. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.