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 2012

COMPANY INFORMATION

Board of Directors	Aamna Taseer (Chairman)	Non-Executive
	Shehryar Ali Taseer (CEO)	Executive
	Maheen Ghani Taseer	Non-Executive
	Shehrbano Taseer	Executive
	Samira Ahmed Zia	Non-Executive
	Imran Hafeez	Non-Executive
	Maimanat Mohsin	Independent
Chief Financial Officer	Faisal Saleem	
Audit Committee	Maheen Ghani Taseer (Chairman) Aamna Taseer Imran Hafeez	
Company Secretary	Tariq Majeed	
Auditors	Nasir Javed Maqsood Imran Chartered Accountants	
Legal Advisers	Ebrahim Hosain Advocates & Corporate Counsel	
Bankers	Bank Alfalah Limited Faysal Bank Limited Habib Metropolitan Bank Limited NIB Bank Limited Allied 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	3rd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cannt. Lahore, Pakistan. ☎ (042) 36623005/6/8 Fax: (042) 36623121-36623122	
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 12th Annual General Meeting of the Shareholders of Media Times Limited ("the Company" or "MTL") will be held on Wednesday, 31 October 2012 at 11:00 a.m. at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, to transact the following business:

1. To confirm the minutes of last Annual General Meeting held on 31 October 2011;

2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2012 together with the Directors' and Auditors' reports thereon;

3. To appoint Auditors for the year ending 30 June 2013 and to fix their remuneration;

By order of the Board

Lahore:
09 October 2012

Tariq Majeed
Company Secretary

Notes:

1) The Members Register will remain closed from 24 October 2012 to 31 October 2012 (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 23 October 2012 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 Registered office of the Company, 41-N, Industrial Area, Gulberg-II, 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, if any 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 2012.

Industry Overview

The tight financial & economic conditions and the lack of investor confidence prevailing in developed countries have hampered real GDP growth in 2012 globally. According to World Economic Outlook (April, 2012) emerging and developing economies have witnessed a drop in production rates, during the financial year 2011-12, due to factors like social unrest, political instability and geographical uncertainty. Pakistan's economy has not remained unaffected by these global developments, however, as opposed to a 0.5% YoY decrease in global GDP, Pakistan's GDP has actually grown by 1% on a YoY basis and is expected to further grow to 3.5% in 2013 (World Economic Outlook April 2012). This highlights the potential for growth in investor value inherent in the Pakistani markets.

In the face of economic pressures, political unrest and growing uncertainty with regards to the prices and availability of inputs, the Media industry has successfully been striving to adjust its financial and operational footprints, in order to ensure continuity of the important role it plays in informing, educating and entertaining the Pakistani public. The emergence and popularity of new mediums of information sharing in Pakistan, most notable being the internet, are posing a threat to traditional forms of print and electronic media. Most media organizations, including Media Times Ltd, realize the risks as well as the opportunities offered by the advancement of technology and have responded to the changes in market with some really innovative products and solutions. The increasing public support for a more socially & politically active media sector, is rapidly increasing the role media plays in everyday lives of the common Pakistani, which strongly implies an optimistic outlook for the industry.

Financial Overview

During the period under review the company reported an after tax loss of Rs.699 million as compared to a loss of Rs.163 million in corresponding period last year. Increase in loss was mainly due to decrease in revenue as well as increase in direct and operational costs, including charges for program costs of Rs. 141 million and impairment losses of Rs. 235 million. Revenues of the company decreased to Rs.275 million as compared to Rs.379 million same period 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:

	2012	2011
	(Rs. in Millions)	
Profit and Loss Account		
Revenue	275	379
Gross Profit/ (loss)	(455)	52
Loss after Taxation	(699)	(163)
EPS Basic & Diluted- (Rupees)	(4.53)	(1.22)
Balance Sheet		
Non-Current Assets	1,275	1,721
Net Current Assets	(196)	(12)
Non-Current Liabilities	130	507
Share Capital and Reserves	950	1,202

The management of Media Times is acutely aware of the ungainly financial performance figures reported by the company in Financial year 2011-12, and has developed and implemented a rigorous turnaround strategy based on cost & revenues optimization, with increased focus on the electronic media division of the company, without any compromise on the quality of our products and contents.

During the period under review the paid up capital of the Company was increased by Rs.447.127 million i.e. upto Rs. 1,788.510 million through a right issue @ 1 right share for every 3 shares held i.e. 33.33%, the purpose of right issue was to utilize the proceeds of right issue for repayment of loans/advances of FCSC.

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.

"**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 two 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 and better utilization of resources along with a focus on benefiting from the advancements in technology are pivotal to the success of Media Times. Increase in revenues will require an increased focus on procuring advertisements in the electronic division of the company, as almost 3/4th of the advertising business in Pakistan is currently routed to the electronic media. Management at Media Times is working tirelessly to grow the market share currently held by Media Times. Up gradation of Equipment and building skills base in new areas of technical expertise are a key part of our strategy, which will further strengthen and establish our market presence, translating into better revenue and bottom line figures. Management of Media Times is fully committed to achieving excellence in all fields of its operation, and maintaining the high standards of quality that Media Times is known for, both in terms of its products as well as its operational practices.

Changes in the Board of Directors

During the financial year Mrs. Maheen Ghani Taseer and Miss Samira Ahmed Zia were co-opted by the Board of Directors in place of Mr. Shahbaz Ali Taseer and Mr. Omer Subhan Salamat, respectively who have ceased to hold their office of the board of directors under section 188 of the Companies Ordinance, 1984. Mr. Imran Hafeez was also co-opted as director in place of Syed Kashan Hussain Kazmi.

Miss Shehrbano Taseer is allowed a monthly salary of Rs. 50,000/- along with other employee benefits as per the Company policy with effect from 01 December 2011.

Board Meetings during the year

Five meetings of the Board of Directors were held during the year Attendance by each director is as under:

Director	Meetings attended
Mrs. Aamna Taseer	5
Mr. Shahbaz Ali Taseer (Ceased)	-
Mr. Shehryar Ali Taseer	4
Miss Shehbano Taseer	4
Mrs. Maheen Ghani Taseer	2
Mr. Omer Subhan Salamat (Ceased)	-
Syed Kashan Hussain Kazmi (Resigned)	3
Miss Samira Ahmed Zia	2
Mr. Imran Hafeez	2
Mrs. Maimanat Mohsin	-

Audit Committee

The Board of directors in compliance with the Code of Corporate Governance has established an Audit Committee. Five meeting of the audit committee were held during the year. Attendance by each member is as under:

Members	Audit Committee Meetings Attended
Mrs. Aamna Taseer (Member)	5
Mrs. Maheen Ghani Taseer (Chairperson)	2
Mr. Imran Hafeez (Member)	1

During the year Mrs. Maheen Ghani Taseer appointed as member in place of Mr. Shahbaz Ali Taseer and Mr. Imran Hafeez appointed as member of the committee in place of Syed Kashan Hussain Kazmi

Corporate and Financial Reporting Framework:

The Board of Directors of the company, for the purpose of establishing a framework of good corporate governance has fully adopted the Code of Corporate Governance, as per listing regulations of stock exchanges.

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.

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.

The Company is in compliance with the requirement of training programs for Directors.

Trading by 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, 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, Chartered Accountants as the auditors of the Company for the financial year ending 30 June 2013.

Pattern of Shareholding

The pattern of shareholding as required under Section 236 of the Companies Ordinance, 1984 and Listing regulations 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 2012 is Rs. (4.53) (2011: Rs. (1.22)).

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
05 October 2012

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 01-07-2011	Purchase	Bonus	Sale/ Transfer	Closing balance as on 30-06-2012
Aamna Taseer	1,000	-	-	-	1,000
Shehryar Ali Taseer (CEO)	600	-	-	-	600
Shahbaz Ali Taseer (Ceased)	600	-	-	600	-
Shehrbano Taseer	500	-	-	-	500
Maimanat Mohsin	560,500	-	-	-	560,500
Omer Subhan Salamat (Ceased)	500	-	-	500	-
Syed Kashan Kazmi (Resigned)	500	-	-	500	-
Maheen Ghani Taseer	-	600	-	-	600
Samira Ahmed	-	500	-	-	500
Imran Hafeez	-	500	-	-	500
Spouces	-	-	-	-	-
Minor Children	-	-	-	-	-
Chief Financial Officer					
Faisal Saleem	-	-	-	-	-
Company Secretary					
Tariq Majeed	-	-	-	-	-

KEY OPERATING AND FINANCIAL INDICATORS - LAST SIX YEARS

KEY INDICATORS

		2007	2008	2009	2010	2011	2012
Operating result							
Net Revenue		269,964,655	460,534,464	**504,415,423**	**498,588,391**	**378,729,276**	**275,233,804**
Gross profit/ (loss)		106,247,888	231,282,203	**179,596,481**	**124,451,103**	**51,803,673**	**(454,698,068)**
Profit / (loss) from operation		38,263,773	97,793,018	**7,501,300**	**(68,655,195)**	**(153,191,830)**	**(670,797,607)**
Profit / (loss) before tax		35,337,979	133,355,529	**(23,758,875)**	**(108,304,127)**	**(226,498,385)**	**(699,329,584)**
Profit / (loss) after tax		27,776,167	109,682,935	**(2,578,656)**	**(73,627,367)**	**(163,162,658)**	**(699,329,584)**
Financial Position							
Shareholder's equity		348,093,913	1,125,579,140	**1,438,689,890**	**1,365,062,523**	**1,201,899,865**	**949,697,801**
Property,plant & equipment		135,006,167	1,118,958,250	**1,133,914,950**	**1,324,349,538**	**1,333,004,815**	**944,673,377**
Net current assets		79,448,098	92,729,644	**173,546,031**	**158,922,289**	**(12,480,956)**	**(195,788,828)**
Profitability							
Gross profit/(loss)	%	39.36	50.22	**35.60**	**24.96**	**13.68**	**(165.20)**
Operating profit/(loss)	%	14.17	21.23	**1.49**	**(13.77)**	**(40.45)**	**(243.72)**
Profit before tax/(loss)	%	13.09	28.96	**(4.71)**	**(21.72)**	**(59.80)**	**(254.09)**
Profit after tax/(loss)	%	10.29	23.82	**(0.51)**	**(14.77)**	**(43.08)**	**(254.09)**
Performance							
Fixed assets turnover	Times	2.00	0.41	**0.44**	**0.38**	**0.28**	**0.29**
Return on equity	%	7.98	9.74	**(0.18)**	**(5.39)**	**(13.58)**	**(73.64)**
Return on capital employed	%	7.47	6.92	**(0.14)**	**(4.33)**	**(10.61)**	**(93.38)**
Liquidity							
Current	Times	1.68	1.22	1.49	1.72	0.96	0.44
Quick	Times	1.55	1.05	1.22	1.61	0.93	0.42
Valuation							
Earning/(loss) per share	Rs.	1.59	1.40	**(0.02)**	**(0.55)**	**(1.22)**	**(4.53)**
Break up vale per share	Rs.	19.89	11.20	**10.73**	**10.18**	**8.96**	**5.31**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2012

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

NO. OF SHAREHOLDERS	SHAREHOLDINGS			SHARES HELD
	FROM		TO	
101	1	-	100	1,670
105	101	-	500	47,878
31	501	-	1000	27,647
31	1001	-	5000	87,356
14	5001	-	10000	99,730
2	10001	-	15000	26,000
2	15001	-	20000	31,510
5	20001	-	25000	108,111
1	25001	-	30000	28,578
2	30001	-	35000	67,432
2	35001	-	40000	73,884
2	55001	-	60000	117,826
2	60001	-	65000	126,264
1	105001	-	110000	110,000
1	560001	-	565000	560,500
1	665001	-	670000	669,700
1	1080001	-	1085000	1,081,035
1	1140001	-	1145000	1,145,000
1	1930001	-	1935000	1,934,572
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	12405001		12410000	12,407,615
1	24625001		24630000	24,629,000
1	25895001		25900000	25,898,290
1	33275001		33280000	33,275,014
1	45735001		45740000	45,739,226
317				**178,851,010**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2012

Categories of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	564,200	0.315
Associated Companies, undertakings and related parties.	106,958,057	59.80
NIT and ICP	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions	5,033,000	2.814
Insurance	-	-
Modarabas and Mutual Funds	-	-
Share holders holding 10% or more	136,033,571	76.060
General Public		
a) Local	10,842,141	6.062
b) Foreign	616	0.000
Others:		
- Joint Stock Companies	21,538,382	12.04
- Foreign Companies	33,944,714	18.979

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

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT 30 JUNE 2012

Shareholders' Category	Number of Shares held
Associated Companies, undertaking and related parties	
First Capital Securities Corporation Limited	76,860,267
First Capital Equities Limited	25,898,290
Worldcall Telecom Limited	4,199,500
Mutual Funds	-
Directors and their Spouse and Minor Children	
Aamna Taseer	1,000
Shehryar Ali Taseer	600
Shehrbano Taseer	500
Maheen Ghani Taseer	600
Maimanat Mohsin	560,500
Samira Ahmed Zia	500
Imran Hafeez	500
Executives	-
Public Sector Companies and Corporations	21,538,382
Banks Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	5,033,000
Shareholders holding 5% or more voting interest in the Company	
First Capital Securities Corporation Limited	76,860,267
Morgan Stanley & Co. Inc	33,275,014
First Capital Equities Limited	25,898,290

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

MEDIA TIMES LIMITED ("THE COMPANY")
FOR THE YEAR ENDED 30 JUNE 2012

This statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in Regulation No. 35 of listing regulations of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited 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 CCG in the following manner:

1) The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mrs. Maimanat Mohsin
Executive Directors	Mr. Shehryar Ali Taseer Ms. Shehrbano Taseer
Non-Executive Directors	Mrs. Aamna Taseer Mrs. Maheen Ghani Taseer Ms. Samira Ahmed Zia Mr. Imran Hafeez

The independent director meet the criteria of independence under clause i (b) of the CCG.

2) The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3) All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4) A casual vacancy occurring on in the Board was filled up by the directors within 90 days.

5) The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

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, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non executive directors, have been taken by the board /shareholders.

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) All the Directors on the Board are fully conversant with their duties and responsibilities as directors of

Corporate Bodies. The Directors were apprised of their duties and responsibilities through orientation courses.

10) The Board has approved “appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11) The directors' report for this year has been prepared in compliance with the requirements of the CCG 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 CCG.

15) The Board has formed an Audit Committee. It comprises three non-executive members, of whom all are non-executive director and chairman of the committee is an independent director.

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 CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17) There was no HR and Remuneration Committee as on 30 June 2012, however, subsequently the Board of Directors of the Company has decided to form an HR and Remuneration Committee. It will comprise of 3 members, of whom two will be non-executive directors and the chairman of the committee will be an independent director.

18) The board has set up an effective internal audit function that is considered suitable qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

19) 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.

20) 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.

21) The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s)

22) Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23) We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board

Lahore
05 October 2012

Shehryar Ali Taseer
Chairman / CEO

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, 2012.

LAHORE
05 October 2012

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** as at June 30, 2012 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 requirements of approved accounting standards, 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 comply with the relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on 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 accounts 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 to the financial Statement with which we concur.

(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 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, 2012; 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
05 October 2012

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
ASSETS			
NON CURRENT ASSETS			
Plant and equipment	3	**944,673,377**	1,333,004,815
Intangible assets	4	**152,640,370**	152,907,170
Long term deposits	5	**7,722,127**	14,537,706
Television program costs	6	**-**	50,170,535
Deferred taxation	7	**170,328,653**	170,328,653
		1,275,364,527	1,720,948,879
CURRENT ASSETS			
Inventories	8	**5,456,063**	7,154,508
Current portion of television program costs	6	**-**	76,953,897
Trade debts	9	**103,506,322**	134,580,854
Loans and advances	10	**8,774,958**	19,210,116
Deposit & prepayments	11	**7,787,827**	5,730,724
Other receivables	12	**23,667,014**	17,438,125
Cash and bank balances	13	**4,675,804**	7,824,258
		153,867,988	268,892,482
TOTAL ASSETS		**1,429,232,515**	1,989,841,361
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
180,000,000 (2011: 180,000,000) ordinary shares of Rs. 10 each.		**1,800,000,000**	1,800,000,000
Issued, subscribed and paid up capital	14	**1,788,510,100**	1,341,382,580
Share premium	15	**76,223,440**	76,223,440
Unappropriated (loss)		**(915,035,739)**	(215,706,155)
		949,697,801	1,201,899,865
NON CURRENT LIABILITIES			
Long term finances	16	**72,961,018**	441,484,904
Staff Retirement benefits	17	**56,916,880**	54,438,208
Liabilities against assets subject to finance lease	18	**-**	10,644,946
		129,877,898	506,568,058
CURRENT LIABILITIES			
Trade and other payables	19	**268,039,747**	215,305,749
Interest and mark-up accrued	20	**15,639,749**	3,956,128
Short term borrowings	21	**50,000,000**	50,000,000
Current maturities of long term liabilities	22	**15,977,320**	12,111,561
		349,656,816	281,373,438
Contingencies and commitments	23	**-**	-
TOTAL EQUITY AND LIABILITIES		**1,429,232,515**	1,989,841,361

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

Lahore:
05 October 2012

Chief Executive **Director**

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
Revenue -Net	*24*	**275,233,804**	378,729,276
Direct cost	*25*	**(729,931,872)**	(326,925,603)
Gross profit/(loss)		**(454,698,068)**	51,803,673
Operating cost	*26*	**(216,099,539)**	(204,995,504)
Operating loss		**(670,797,607)**	(153,191,831)
Finance cost	*27*	**(57,616,230)**	(82,929,801)
		(728,413,837)	(236,121,632)
Other operating income	*28*	**29,084,253**	9,623,246
Loss before taxation		**(699,329,584)**	(226,498,386)
Taxation	*29*	**-**	63,335,727
Loss after taxation		**(699,329,584)**	(163,162,658)
Loss per share - basic and diluted	*30*	**(4.53)**	(1.22)

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

Lahore: **Chief Executive** **Director**
05 October 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	2012 Rupees	2011 Rupees
Loss after taxation	**(699,329,584)**	(163,162,658)
Total comprehensive income/(loss) for the year	-	-
Total comprehensive loss for the year	**(699,329,584)**	(163,162,658)

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

Lahore:
05 October 2012

Chief Executive **Director**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
Cash flows from operating activities			
Cash generated from operations	*32*	**(101,133,930)**	169,046,335
Decrease in Long term deposits		**6,815,579**	(4,552,780)
Decrease in Television programs costs		**50,170,535**	(3,937,163)
Retirement benefits paid		**(5,381,334)**	(2,182,500)
Finance cost paid		**(45,932,609)**	(79,958,450)
Taxes paid		**(1,617,935)**	(2,791,050)
Net cash generated from/(used in) operating activities		**(97,079,694)**	75,624,392
Cash flow from investing activities			
Fixed capital expenditure		**12,563,340**	(128,145,845)
Sale proceeds of operating fixed assets		**9,543,453**	9,773,789
Net cash generated from/(used in) investing activities		**22,106,793**	(118,372,056)
Cash flow from financing activities			
Repayment of long term finances-Net		**(369,887,521)**	44,401,357
Repayment of short term borrowings		**-**	(1,262,745)
Issue of right shares		**447,127,520**	-
Repayment of finance lease liabilities-Net		**(5,415,552)**	(11,028,115)
Net cash generated from financing activities		**71,824,447**	32,110,497
Net decrease in cash and cash equivalents		**(3,148,454)**	(10,637,167)
Cash and cash equivalents at the beginning of the year		**7,824,258**	18,461,424
Cash and cash equivalents at the end of the year	*13*	**4,675,804**	7,824,257

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

Lahore:
05 October 2012

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Share capital	Capital reserves	Revenue reserve	Total
		Share premium	Unappropriated profit/(loss)	
	(Rupees)			
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**
Net loss for the year	-	-	(699,329,584)	(699,329,584)
Right issue of 44,712,752 Ordinary shares of Rs. 10 each	447,127,520	-	-	447,127,520
Balance as at 30 June 2012	**1,788,510,100**	**76,223,440**	**(915,035,739)**	**949,697,801**

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

Lahore:
05 October 2012

Chief Executive **Director**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1 The Company and its Operations

Media Times Limited ("MTL" and or “the 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 F-49, Block-8, KDA Scheme-5, 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 & 17)
- Taxation- (note 2.8 & 29)
- Provisions and contingencies- (note 2.19 & 23)
- Barter revenue on advertising services - (note 24)

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

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

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Company.

- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.

- IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

- AS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

The said improvements have no impact on financial statements of the Company.

- IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period – which is the preceding period – is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement is material to statement of financial position.

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2012:

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial

Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard. The amendments have no impact on financial statements of the Company.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.

- Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following standards, with consequential amendments to other standards and interpretations.

- IFRS 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Company.

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 and reviewed annually for any impairments.

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 amortisation 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 assets 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 an indefinite period are not included in this classification.

2.8 Taxation

Income tax on the profit or loss for the year comprises of 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.
- Barter revenue from newspaper advertisement is recorded at the time of publication of advertisement against dissimilar activities.
- 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	2012 Rupees	2011 Rupees
3 Property, plant and equipment			
Operating assets	*3.1*	**944,673,377**	**1,115,046,655**
Capital work-in-progress-at cost	*3.3*	-	**217,958,160**
		944,673,377	**1,333,004,815**

3.1 Operating assets	Leasehold improvements	Plant and equipment Owned	Plant and equipment Under Finance Lease	Office equipment Owned	Office equipment Under Finance Lease	Computers Owned	Computers Under Finance Lease	Furniture and Fixtures	Vehicles Owned	Vehicles Under Finance Lease	Total
Net Carrying Value Basis											
Year Ended 30 June 2012											
Opening net book value (NBV)	60,391,108	933,101,344	60,409,784	37,793,947	91,120	1,481,384	-	7,983,432	7,877,790	5,916,744	1,115,046,654
Additions (at cost)	5,709,656	198,163,937	-	1,066,628	-	179,600	-	275,000	-	-	205,394,821
Transferred from Leased Assets											
Cost	-	-	-	-	-	-	-	-	9,169,600	-	9,169,600
Accumulated depreciation	-	-	-	-	-	-	-	-	(7,855,675)	-	(7,855,675)
	-	-	-	-	-	-	-	-	1,313,925	-	1,313,925
Disposals (at NBV)	-	-	-	(216,786)		-	-	(103,315)	(1,746,012)	(2,148,231)	(4,214,344)
Depreciation charge	(3,946,514)	(110,921,885)	(6,574,708)	(6,027,313)	(13,569)	(1,486,908)	-	(1,348,454)	(4,091,317)	(2,886,921)	(137,297,589)
Closing net book value (NBV)	**62,154,250**	**1,020,343,395**	**53,835,076**	**32,616,476**	**77,551**	**174,076**	**-**	**6,806,663**	**3,354,386**	**881,593**	**1,180,243,466**
Impairment loss	12,430,850	204,068,679	10,767,015	6,523,295	15,510	117,323	-	1,647,416	-	-	235,570,088
Closing net book value (After impairment)	**49,723,400**	**816,274,716**	**43,068,061**	**26,093,181**	**62,041**	**56,753**	**-**	**5,159,247**	**3,354,386**	**881,593**	**944,673,377**
Gross Carrying Value Basis											
Year Ended 30 June 2012											
Cost	78,799,618	1,415,823,184	77,434,060	62,620,838	135,688	47,914,173	272,541	14,657,478	32,804,745	4,808,679	1,735,271,003
Accumulated depreciation	(16,645,368)	(395,479,789)	(23,598,984)	(30,004,362)	(58,137)	(47,740,097)	(272,541)	(7,850,814)	(29,450,359)	(3,927,086)	(555,027,537)
Impairment loss	(12,430,850)	(204,068,679)	(10,767,015)	(6,523,295)	(15,510)	(117,323)	-	(1,647,416)	-	-	(235,570,088)
Net book value	**49,723,400**	**816,274,716**	**43,068,061**	**26,093,181**	**62,041**	**56,753**	**-**	**5,159,247**	**3,354,386**	**881,593**	**944,673,377**
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**
Depreciation Rate % per annum	**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	**108,100,862**	67,857,942
Operating cost	**19,618,835**	29,644,617
	127,719,697	97,502,559

3.3 Capital work in progress - at cost

	2011 Rupees	2010 Rupees
Owned		
Plant & equipment	-	217,958,160
	-	217,958,160

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	Gain/(loss) on disposal	Mode of disposal	Sold to
Suzuki Mehran LEJ-07-9067	372,000	322,400	49,600	340,000	290,400	Negotiation	Pace Pakistan Limited
Suzuki Bolan CR-5635	427,000	427,000	-	385,000	385,000	Negotiation	Mr. Muhammad Saleem
Suzuki Bolan LEC-07-7344	427,000	355,805	71,195	263,000	191,805	Negotiation	Mr.Inam Khan S/O Munirullah
Suzuki Bolan LEC-07-7346	427,000	355,805	71,195	263,000	191,805	Negotiation	Mr.Inam Khan S/O Munirullah
Honda Civic LEF-07-8451	847,000	564,667	282,333	900,000	617,667	Negotiation	Employee
Suzuki Cultus LEA-08-5930	627,000	512,046	114,954	700,000	585,046	Negotiation	Employee
Hyundai Santro LEA-07-6027	689,000	470,771	218,229	750,000	531,771	Negotiation	Employee
Honda City LEF-07-8176	847,000	635,250	211,750	850,000	638,250	Negotiation	Employee
Gen 5KVA (Isb)	56,995	18,523	38,472	40,000	1,528	Negotiation	Mr. Fida Khattak
Air Conditioner-ISB	78,389	21,557	56,832	40,000	(16,832)	Negotiation	Mr. Fida Khattak
Air Conditioner-Psw	23,600	19,470	4,130	10,000	5,870	Negotiation	Mr. Fida Khattak
Computers-PSW	301,775	301,775	-	122,000	122,000	Negotiation	Mr. Fida Khattak
Office Equipment	143,960	51,483	92,477	27,500	(64,977)	Negotiation	Mr. Fida Khattak
Chairs & Tables-PSW	179,582	76,267	103,315	50,500	(52,815)	Negotiation	Mr. Fida Khattak
Suzuki Bolan LEF-07-1269	311,950	223,565	88,385	263,000	174,615	Negotiation	Employee
Suzuki Bolan STD LED-08-2640	881,100	631,455	249,645	263,000	13,355	Negotiation	Employee
Honda City CVT Auto,Black,2007,LEE-07-4794	776,100	620,880	155,220	509,804	354,584	Negotiation	Mr.Adial Iqbal Faruqui
Honda City CVT Auto,Charcol Grey,2007,LEE-07-4791	776,100	620,880	155,220	654,267	499,047	Negotiation	Mr.Aijaz Ali Khokhar
Suzuki Mehran	318,000	254,400	63,600	400,000	336,400	Negotiation	Employee
Suzuki Cultus VXRi CNG Blue LEJ-07-4762	632,000	479,266	152,734	482,815	330,081	Negotiation	Employee
Suzuki Cultus VXRi CNGSilky SilverLEJ-07-4739	632,000	479,266	152,734	543,167	390,433	Negotiation	Mr. Imran Khan Khatak
Suzuki Cultus VXRi CNGSilky SilverLEJ-07-4766	632,000	479,266	152,734	437,551	284,817	Negotiation	Employee
Suzuki Cultus VXRi CNGSilky SilverLEJ-07-4743	632,000	479,266	152,734	488,849	336,115	Negotiation	Mr. Navaid Aijaz
Suzuki Cultus Model:2007 Color: Black	621,019	382,962	238,057	700,000	461,943	Negotiation	Employee
Mobile	14,292	5,717	8,575	8,000	(575)	Negotiation	Employee
Laptop-Acer Model 5620	58,000	58,000	-	30,000	30,000	Negotiation	Employee
MOBILE(NOKIA E-51)	14,000	3,967	10,033	14,000	3,967	Negotiation	Employee
United Electric-Nokia N-6303	8,000	1,733	6,267	8,000	1,733	Negotiation	Mr. Saad Abid
Total	**11,753,862**	**8,853,442**	**2,900,420**	**9,543,453**	**6,643,033**		

4 Intangible assets

	Licenses	Software	Goodwill	Total
			(Rupees)	
Net Carrying Value Basis				
Year Ended 30 June 2012				
Opening net book value (NBV)	3,177,362	-	149,729,808	152,907,170
Additions during the year	-	-	-	-
Amortization during the year	(266,800)	-	-	(266,800)
Closing net book value (NBV)	**2,910,562**	**-**	**149,729,808**	**152,640,370**
Gross Carrying Value Basis				
Year Ended 30 June 2012				
Cost	4,000,000	422,000	149,729,808	154,151,808
Accumulated amortization	(1,089,438)	(422,000)	-	(1,511,438)
Net book value	**2,910,562**	**-**	**149,729,808**	**152,640,370**
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
Amortization Rate % per annum	**6.67**	**-**	**-**	

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

	Note	**2012 Rupees**	**2011 Rupees**
Direct Cost	*25*	**266,800**	266,800
Capital work in progress		**-**	-
		266,800	266,800

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 eight years period and a discount rate of 10% per annum. Cash flow projections during the budget period are based on the same expected gross margins during the budget period.

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	2012 Rupees	2011 Rupees
5	**Long term deposits**			
	Deposits with financial institutions		**5,507,956**	8,861,647
	Others		**7,722,127**	9,029,750
			13,230,083	17,891,397
	Less: Current maturity	*11*	**(5,507,956)**	(3,353,691)
			7,722,127	14,537,706
6	**Television Program costs**			
	Unreleased/released less amortization		**-**	127,124,432
	Less: Current Portion of television program costs		**-**	76,953,897
			-	50,170,535
7	**Deferred taxation**			
	This is composed of:			
	Liability for deferred taxation comprising temporary taxable differences related to:			
	Accelerated tax depreciation		**(231,340,106)**	(231,340,106)
	Asset for deferred taxation comprising deductible temporary differences related to:			
	Unused tax losses and tax credits		**384,417,070**	384,417,070
	Others		**17,251,689**	17,251,689
			170,328,653	170,328,653
8	**Inventories**		**5,456,063**	7,154,508
9	**Trade debts**			
	Considered good - Unsecured			
	Receivable against advertisement		**85,913,669**	118,675,810
	Receivable against Newspaper		**15,408,026**	13,622,525
	Receivable against production & other services		**2,184,627**	2,282,519
			103,506,322	134,580,854
	Considered doubtful - Unsecured			
	Receivable against advertisement		**51,778,736**	46,484,490
	Receivable against Newspaper		**934,202**	934,202
			52,712,938	47,418,692
			156,219,260	181,999,546
	Less: Provision for doubtful trade debts		**(52,712,938)**	(47,418,692)
			103,506,322	134,580,854
9.1	**Provision for doubtful debts**			
	Opening balance		**47,418,692**	35,517,388
	Addition during the year		**23,559,153**	50,524,347
	Less: written off during the year		**(18,264,907)**	(38,623,043)
			52,712,938	47,418,692

10 Loans and advances

	Note	2012 Rupees	2011 Rupees
Advances - Unsecured - Considered good			
-Salary	*10.1*	**50,299**	12,275,025
-Expense		**7,549,443**	5,050,065
-Supplier		**1,175,216**	1,885,026
		8,774,958	19,210,116

10.1 These are interest free and include advances given to executives of Rs. 3.61 million (June 2011 : Rs. 5.67 million) as per the company policy.

11 Deposit and prepayments

	Note	2012 Rupees	2011 Rupees
Short term deposits		**625,000**	760,000
Current maturity of long term deposits	*5*	**5,507,956**	3,353,691
Prepayments		**1,654,871**	1,617,033
		7,787,827	5,730,724

12 Other receivables

	Note	2012 Rupees	2011 Rupees
Advance tax		**17,826,210**	16,208,275
Other receivables - unsecured considered good		**5,840,804**	1,229,850
		23,667,014	17,438,125

13 Cash and bank balances

	Note	2012 Rupees	2011 Rupees
At banks in			
Current accounts		**2,335,444**	7,133,975
Saving accounts	*13.1*	**2,301,679**	649,638
		4,637,123	7,783,613
Cash in hand		**38,681**	40,645
		4,675,804	7,824,258

13.1 The balances in saving accounts bear mark up at the rate of 5% to 10% (June 2011: 5% to 10%) per annum.

14 Issued, subscribed and paid up capital

	Note	2012 Rupees	2011 Rupees
91,158,598 (June 2011: 91,158,598) Ordinary share of Rs. 10 each fully paid in cash		**911,585,980**	911,585,980
42,979,660 (June 2011: 42,979,660) Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger.		**429,796,600**	429,796,600
44,712,752 Ordinary shares of Rs. 10 each right issued		**447,127,520**	-
		1,788,510,100	1,341,382,580

	Note	2012 Rupees	2011 Rupees
Reconciliation of Issued, subscribed and paid up capital		**No of Shares**	
Opening balance		**134,138,258**	134,138,258
Fully paid right issue		**44,712,752**	-
		178,851,010	134,138,258

14.1 First Capital Securities Corporation (FCSC), the associated company holds 73,867,757 (2011: 32,148,669) shares with a percentage of 41.30% (2011: 23.97%).

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.

16 Long term finances

	Note	2012 Rupees	2011 Rupees
Banking companies and other financial institutions			
First National Bank Modarba - Secured	*16.1*	**3,181,820**	4,545,455
Associated companies - Unsecured	*16.2*	**72,961,018**	441,484,904
		76,142,838	446,030,359
Less: current portion shown under current liabilities			
First National Bank Modarba - Secured		**(3,181,820)**	(4,545,455)
		72,961,018	441,484,904

16.1 The Company has arranged a Modaraba finance from First National Bank Modaraba for an amount of Rs. 30 million (June 2011 : 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 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 14.92 % to 17.30% per annum (June 2011:16% to 18%) payable on quarterly basis.

17 Staff Retirement benefits

Gratuity

	Note	2012 Rupees	2011 Rupees
Amount recognized in the Statement of financial position are as follows:			
Present value of defined benefit obligation		**55,784,934**	52,826,461
Unrecognized actuarial Gains		**1,131,946**	1,791,990
Unrecognized transitional liability		**-**	(180,243)
Liability at year end		**56,916,880**	54,438,208

	2012 Rupees	2011 Rupees
17.1 Movement in net obligation		
Net liability beginning of the year	**54,438,208**	45,229,862
Charge for the year	**7,860,006**	11,390,846
Paid during the year	**(5,381,334)**	(2,182,500)
Net liability at year end	**56,916,880**	54,438,208
17.2 Movement in present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation at the beginning of the year	**52,826,461**	42,523,263
Current service cost	**4,957,266**	7,457,431
Interest cost	**2,722,497**	3,753,172
Benefit paid during the year	**(5,381,334)**	(2,182,500)
Actuarial gain/(loss)	**660,044**	1,275,095
Present value of defined benefit obligation at year end	**55,784,934**	52,826,461
17.3 Salaries, wages and other benefits include following in respect of retirement benefits		
Current service cost	**4,957,266**	7,457,431
Interest cost	**2,722,497**	3,753,172
Liability charged due to application of IAS-19	**180,243**	180,243
Total amount chargeable to income statement	**7,860,006**	11,390,846

17.4 Recent actuarial valuation of the plan was carried out on 30 June 2012 by Nauman Associates.

17.5 Principal actuarial assumptions

	2012	2011
Discount rate	**13% per annum**	14% per annum
Expected rate of Eligible Salary increase in future years	**11% per annum**	12% per annum
Average expected remaining working life time of employees	**12 years**	12 years

17.6 Historical information for gratuity plan

	2012 Rupees	2011 Rupees	2010 Rupees	2009 Rupees
Present value of defined benefit obligation	**55,784,934**	52,826,461	42,523,263	34,469,852
Actuarial experience adjustments on plan liabilities	**660,044**	(1,275,095)	(452,704)	3,482,085

18 Liabilities against assets subject to finance lease

	Note	2012 Rupees	2011 Rupees
Present value of minimum lease payments		**12,795,500**	18,211,052
Less: Current portion shown under current liabilities	*22*	**(12,795,500)**	(7,566,106)
		-	10,644,946

Interest rate used as discounting factor ranging from 16.93% to 18.75% per annum (June 2011: 16.93 % to 18.75% 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 installments the Company will be liable to pay additional lease rental on overdue payment at the rate of 0.1% per day (June 2011: 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:

	2012			2011		
	Minimum Lease Payment	Finance charges for future periods	Present value of minimum lease payments	Minimum Lease Payment	Finance charges for future periods	Present value of minimum lease payments
		(Rupees)			(Rupees)	
Not later than one year	**13,455,565**	**2,359,128**	**11,096,437**	9,495,786	1,929,680	7,566,106
Later than one year but not later than five year	**-**	**-**	**-**	11,163,608	518,662	10,644,946
	13,455,565	**2,359,128**	**11,096,437**	20,659,394	2,448,342	18,211,052

	Note	2012 Rupees	2011 Rupees
19 Trade and other payables			
Trade creditors		**121,834,764**	87,601,102
Accrued and other liabilities		**124,675,257**	115,298,459
Sales tax payable		**4,638,886**	608,923
Tax deducted at source		**16,890,840**	11,797,265
		268,039,747	215,305,749
20 Interest and markup accrued			
Long term financing		**510,276**	3,884,704
Short term borrowings		**14,104,207**	-
Finance lease		**1,025,266**	71,424
		15,639,749	3,956,128
21 Short term borrowing-secured			
Banking companies and other financial institutions			
Running finance	*21.1*	**50,000,000**	50,000,000
		50,000,000	50,000,000

21.1 Running Finance facility available from commercial bank under mark up arrangements amounts to Rs. 50 million (June 2011: 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.

	Note	2012 Rupees	2011 Rupees
22 Current maturities of non-current liabilities			
Long term finances	*16*	**3,181,820**	4,545,455
Liabilities against assets subject to finance lease	*18*	**12,795,500**	7,566,106
		15,977,320	12,111,561

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) of Sales Tax Act 1990 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.

23.2 Three Petitions are pending before the Chairman Implementation Tribunal Islamabad filed by the ex-employees of Media Times Limited (Daily Aaj Kal) wherein they have claimed payments against their final dues as per 7th Wage Board Award. The cases are now fixed for final arguments and the financial exposures of the company will be to the extent of payments against their final dues/settlement.

23.3 Two civil suit of similar nature for rendition of accounts with permanent injunction are pending before the court of Mr. Javed Iqbal Ranjha , Civil Judge Lahore filed by the ex-employees of Media Times Limited (Daily Times) wherein they have claimed settlement of accounts with the company being the ex-employees of appointed on contract basis. The cases are at initial stage and the proceedings are fixed for filing of written statement by the company. The financial exposure of the company will be to the extent of payment against their final dues/settlement.

23.4 Khalid Rasheed Chaudary has filed petition before the court of Mr.Khaleeq-uz-Zaman, Presiding Officer Labour Court No. 2, Lahore filed by the ex-employee of Media Times Limited (Daily Aaj Kal) wherein the petioner has claimed restoration of his service with back benefits. The case is at intial stage and the proceedings are fixed for filing of written statement by the company. There is likelihood of company's success in the case.

23.5 A suit for defamation is pending before the court of Kr. Abdul Qadir Additional District Judge Islamabad that has been filed by an NGO against publication of an article "An unethical survey of " FATA " dated October 9, 2010 by the company in its Newspaper Daily Times written by FarhatTaj who is the defendant No. 1 in the suit. The Plaintiff NGO has requested the court for tender of an apology by Defendants and Publication of same with similar manner and prominence and to pay compensatory damage as general damage of Rupees fifty million. The case is at intial stage and we are confident of it success in favour of company.

	2012 Rupees	2011 Rupees
23.6 Commitments in respect of capital expenditure	**-**	-
23.7 Commitments in respect of content/programs	**-**	1,160,709

24 Revenue -Net

	2012 Rupees	2011 Rupees
Advertisement	**264,696,430**	364,078,604
Newspaper	**73,002,011**	85,194,359
Production and other services	**18,147,159**	12,413,480
	355,845,600	461,686,443
Less:		
Sales tax	**(8,046,712)**	(8,804,230)
Discount and commission	**(72,565,084)**	(74,152,937)
	(80,611,796)	(82,957,167)
	275,233,804	378,729,276

	Note	2012 Rupees	2011 Rupees
25 Direct costs			
Salaries, wages and benefits		**71,934,569**	93,732,824
News Print Paper		**57,553,043**	71,513,761
Stores and spares		**31,397,773**	19,005,070
Printing Charges		**14,682,437**	13,185,780
Programming and content		**159,509,103**	17,866,541
Transmission and uplinking		**32,218,941**	12,127,314
Insurance		**890,673**	5,198,449
News agencies charges		**5,320,914**	5,232,767
Repair and maintenance		**3,141,824**	2,328,016
Utilities		**15,527,021**	13,466,962
Freight and carriage		**3,680,362**	4,144,210
Depreciation	*3.2*	**117,496,594**	67,857,942
Impairment loss	*3*	**214,835,694**	-
Amortization of intangible assets	*4.1*	**266,800**	266,800
Others		**1,476,124**	999,167
		729,931,872	326,925,603

	Note	2012 Rupees	2011 Rupees
26 Operating costs			
Salaries, wages and benefits		**47,392,336**	44,207,099
Rent, rates and taxes		**15,754,272**	14,004,420
Communications		**7,008,962**	7,659,679
Vehicle running and maintenance		**11,510,567**	11,329,495
Marketing, selling and distribution		**12,025,617**	7,417,541
Legal and professional		**1,350,127**	3,571,463
Takeup and underwriting		**4,383,366**	-
Insurance		**2,067,027**	5,053,453
Utilities		**8,665,651**	6,734,586
Printing and stationary		**1,751,681**	2,370,124
Entertainment		**4,134,387**	5,347,136
Travel and conveyance		**3,066,535**	4,149,215
Repairs and maintenance		**5,640,393**	4,677,960
Provision for doubtful trade debts		**23,559,153**	11,901,304
Bad debts written off		**18,264,907**	38,623,043
Fee and subscriptions		**2,336,667**	2,254,365
Postage and courier		**371,581**	341,151
Newspapers and periodicals		**847,269**	1,066,492
Auditor's remuneration	*26.1*	**602,500**	528,000
Depreciation	*3.2*	**19,800,995**	29,644,617
Impairment loss	*3*	**20,734,394**	-
Amortization of deferred cost		**301,333**	-
Miscellaneous		**4,529,819**	4,114,362
		216,099,539	204,995,504

	Note	2012 Rupees	2011 Rupees
26.1 Auditor's remuneration			
Statutory audit fee		**300,000**	300,000
Half yearly review fee		**175,000**	150,000
Corporate Governance Review, Certifications and others		**50,000**	50,000
Out of pocket expenses		**77,500**	28,000
		602,500	528,000

26.2 During the financial year 2011-12, Media Times Ltd was subjected to penalties of Rs. 150,000, in relation to minor breaches of PEMRA Regulations.

27 Finance costs

		2012 Rupees	2011 Rupees
Mark-up on long term finances		**45,849,707**	77,053,344
Mark-up on short term finances		**9,011,666**	3,988,440
Financial charges on leased liabilities		**2,623,285**	1,659,248
Bank charges and commission		**131,572**	228,768
		57,616,230	82,929,801

28 Other operating income

		2012 Rupees	2011 Rupees
Income from financial assets			
Profit on deposits with banks		**24,133**	122,890
Income from non-financial assets			
Rental income on Investment property		**-**	2,588,936
Gain on disposal of operating fixed assets		**6,643,033**	6,911,420
Creditors written back		**19,305,785**	-
Miscellaneous		**3,111,302**	-
		29,060,120	9,500,356
		29,084,253	9,623,246

29 Taxation

		2012 Rupees	2011 Rupees
Current year			
Current		**-**	4,011,186
Deferred		**-**	(67,346,914)
		-	(63,335,727)

			2012 Rupees	2011 Rupees
30	**Earnings per share-Basic & diluted**			
	Loss after taxation available for distribution to ordinary shareholders	*Rupees*	**(699,329,584)**	(163,162,658)
	Weighted average number of ordinary shares	*Number*	**154,350,872**	134,138,258
	Loss per share-Basic & diluted	*Rupees.*	**(4.53)**	(1.22)

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:

	2012 Rupees	2011 Rupees
First Capital Securities Corporation Limited		
Sale of goods and services	**20,800**	171,600
Interest on loan	**44,983,451**	70,989,448
Purchase of vehicle	**226,669**	-
Repayment of loan	**488,232,710**	42,049,377
Pace Pakistan Limited		
Building Rent	**10,260,000**	6,600,000
Sale/purchase of vehicle	**340,000**	1,003,486
Sale of goods and services	**8,909,670**	15,117,717
Advance against advertisement	**900,000**	-
Worldcall Telecom Limited		
Sale of goods and services	**1,170,000**	9,360,000
Rent charged	**1,908,408**	2,588,936
Purchase of Goods & Services	**1,189,060**	1,579,376

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.

		2012 Rupees	2011 Rupees
32	**Cash generated from operations**		
	Loss before taxation	**(699,329,584)**	(226,498,386)
	Adjustment for non-cash charges and other items:		
	Depreciation	**137,297,589**	**116,628,199**
	Impairment loss	**235,570,088**	**-**
	Amortization of intangible assets	**266,800**	**266,800**
	Provision for doubtful receivables - Net	**23,559,153**	**11,901,304**
	Gain on disposal of operating fixed assets	**(6,643,033)**	**(6,911,420)**
	Retirement benefits	**7,860,006**	**11,390,846**
	Finance cost	**57,616,230**	**82,929,801**
	(Loss)/Profit before working capital changes	**(243,802,750)**	(10,292,856)

	2012 Rupees	2011 Rupees
Effect on cash flow due to working capital changes:		
Inventories	**1,698,445**	17,001,509
Television programs costs	**76,953,897**	2,464,221
Trade debts	**7,515,379**	49,590,216
Loans and advances	**10,435,158**	1,896,393
Deposit & prepayments	**(2,057,103)**	14,743,757
Other receivables	**(4,610,954)**	7,180,831
Trade and other payables	**52,733,998**	86,462,264
	142,668,820	179,339,191
	(101,133,930)	169,046,335

33 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	
	2012	2011	2012	2011
	(Rupees)		(Rupees)	
Managerial remuneration	**233,345**	733,333	**10,078,837**	22,543,003
Retirement benefits	**-**	224,932	**7,651,000**	18,764,699
Housing	**93,345**	293,333	**4,031,837**	9,017,201
Utilities	**23,310**	73,333	**1,006,826**	2,254,300
	350,000	1,324,932	**22,768,500**	52,579,203
Number of persons	**1**	1	**10**	28

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

No meeting fee was paid to directors during the year (June 2011: Rs. Nil)

No remuneration was paid to chief executive during the year (June 2011: 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:

	2012 Rupees	2011 Rupees
Trade debts	**103,506,322**	134,580,854
Loans and advances	**50,299**	12,275,025
Deposits	**6,132,956**	4,113,691
Other receivables	**5,840,804**	1,229,850
Bank balances	**4,637,123**	7,783,613
	120,167,504	159,983,033

	Rating Short Term	Long Term	Rating Agency	2012 Rupees	2011 Rupees
Faysal Bank Limited	A 1 +	AA +	JCR - VIS & PACRA	**228,602**	409,462
Standard Chartered Bank (Pakistan) Limited	A 1 +	AA	PACRA	**1,501,252**	646,022
Habib Metropolitan Bank Limited	A 1 +	AA	PACRA	**1,723,105**	986,855
Bank Alfalah Limited	A 2	A	PACRA	**8,440**	2,775
Allied Bank Limited	A 1 +	AAA	PACRA	**1,165,175**	3,661,882
NIB Bank Limited	A 1 +	AA	PACRA	**10,549**	10,119
Arif Habib Bank Limited	A 2	A	JCR - VIS	**-**	8,920
Soneri Bank Limited	A 1 +	AA -	PACRA	**-**	2,057,578
				4,637,123	7,783,613

The age of trade debts at the reporting date was:

Past due but not impaired		
Past due 0 - 30 days	**21,062,651**	21,717,515
Past due 31 - 60 days	**19,036,173**	15,166,838
Past due 61 - 90 days	**16,908,116**	11,966,404
Past due 91 - 120 days	**12,323,227**	15,570,331
Past due 121 days	**34,176,154**	70,159,767
	103,506,322	134,580,854

As at 30 June 2012 trade debts of Rs. 70,977,845 (June 2011 : Rs. 47,418,692) 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.

	2012			2011		
	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	**11,096,437**	**-**	**11,096,437**	7,566,106	10,644,946	18,211,052
Long term financing	**3,181,820**	**72,961,018**	**76,142,838**	4,545,455	441,484,904	446,030,359
Trade & other payables - Unsecured	**268,039,747**	-	**268,039,747**	215,305,749	-	215,305,749
Short term borrowing - secured	**50,000,000**	-	**50,000,000**	50,000,000	-	50,000,000
Interest accrued	**15,639,749**	-	**15,639,749**	3,956,128	-	3,956,128
	347,957,753	**72,961,018**	**420,918,771**	281,373,438	452,129,850	733,503,288

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:

	2012	**2011**
	Carrying amount (Rs.)	
Fixed rate instruments:		
Financial Assets	**-**	-
Financial liabilities	**72,961,018**	441,484,904
Variable rate instruments:		
Financial liabilities	**65,977,320**	72,756,507
Long Term Finances	**3,181,820**	4,545,455
Liabilities against assets subject to finance lease	**12,795,500**	18,211,052
Short term borrowings	**50,000,000**	50,000,000

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. 777,667 (June 2011 : Rs. 4,517,296). Similarly a decrease of 1 % in interest rate would have decrease mark up by a Rs. 777,667 (June 2011 : Rs. 4,516,261). 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".

	2012 Rupees	**2011 Rupees**
Total Borrowings	**138,938,338**	514,241,411
Total Equity	**949,697,801**	1,201,899,865
Total Capital employed	**1,088,636,139**	1,716,141,276
Gearing Ratio	**13%**	30%

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".

35.2 **Segment revenues and results**

Following is an analysis of the company's revenue and results by reportable segment:

	Print Media	Electronic Media (Rupees)	Total
For the year ended 30 June 2012			
Revenue -Net	220,162,331	55,071,473	275,233,804
Direct cost	(383,702,570)	(346,229,302)	(729,931,872)
Gross profit/(loss)	(163,540,239)	(291,157,829)	(454,698,068)
Operating cost	(137,926,030)	(78,173,508)	(216,099,539)
Operating loss	(301,466,269)	(369,331,338)	(670,797,607)
Finance cost	(53,540,270)	(4,075,960)	(57,616,230)
Other operating income	8,723,354	20,360,899	29,084,253
Loss before taxation	(346,283,185)	(353,046,399)	(699,329,584)
Taxation			-
Loss after taxation			(699,329,584)
For the year ended 30 June 2011			
Revenue -Net	326,242,315	52,486,961	378,729,276
Direct cost	(268,524,844)	(58,400,759)	(326,925,603)
Gross profit/(loss)	57,717,471	(5,913,798)	51,803,673
Operating cost	(163,089,910)	(41,905,594)	(204,995,504)
Operating loss	(105,372,438)	(47,819,393)	(153,191,831)
Finance cost	(74,674,436)	(8,255,365)	(82,929,801)
Other operating income	7,403,068	2,220,178	9,623,246
Loss before taxation	(172,643,806)	(53,854,580)	(226,498,386)
Taxation	172,643,806	53,854,580	63,335,727
Loss after taxation			(163,162,659)

35.3 Segment assets and liabilities

Reportable segments assets and liabilities are reconciled to total assets and liabilities as follows:

As at June 2012

Segment assets for reportable segments	**1,145,885,898**	**113,017,964**	**1,258,903,862**
Unallocated corporate assets	**-**	**-**	**170,328,653**
Total assets as per balance sheet			**1,429,232,515**
Segment liabilities	**323,462,941**	**156,071,773**	**479,534,714**
Consolidated total liabilities			**479,534,714**

As at June 2011

Segment assets for reportable segments	1,328,653,845	490,858,863	1,819,512,708
Unallocated corporate assets	-	-	170,328,653
Total assets as per balance sheet			**1,989,841,361**
Segment liabilities	607,075,226	180,866,270	**787,941,496**
Consolidated total liabilities			**787,941,496**

35.4 Other Segment information

	Print Media	Electronic Media	Total
		(Rupees)	
For the year ended 30 June 2012			
Segment capital expenditure	**152,750**	**205,242,071**	**205,394,821**
Depreciation and amortization	**65,285,410**	**72,278,979**	**137,564,389**
For the year ended 30 June 2011			
Segment capital expenditure	122,810	409,500	**532,310**
Depreciation and amortization	60,305,508	56,589,492	**116,895,000**

36 Date of authorization for issue

These financial statements were authorized for issue on 05 October 2012 by the Board of Directors.

37 General

37.1 No significant re-classifications / re-arrangements have been made during the year.

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

Lahore:	**Chief Executive**	**Director**
05 October 2012		

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 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore-Cantt., Lahore, on 31 October 2012 at 11:00 a.m. and at any adjournment thereof.

Signature this ___________________ Day of _________________ 2012.

(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.