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

CONTENTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2014

COMPANY INFORMATION

Board of Directors	Aamna Taseer (Chairman)	Non-Executive
	Shehryar Ali Taseer (CEO)	Executive
	Maheen Ghani Taseer	Non-Executive
	Shehrbano Taseer	Executive
	Kanwar Latafat Ali Khan	Independent
	Ayesha Tammy Haq	Non-Executive
	Imran Hafeez	Non-Executive

Chief Financial Officer — Faheem Shaukat

Audit Committee
Maheen Ghani Taseer (Chairman)
Kanwar Latafat Ali Khan
Imran Hafeez

Human Resource and Remuneration (HR&R) Committee
Aamna Taseer (Chairman)
Shehryar Ali Taseer
Maheen Ghani Taseer

Company Secretary — Tariq Majeed

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisers
Ebrahim Hosain
Advocates & Corporate Counsel

Bankers
Allied Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
NIB 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 14th Annual General Meeting of the Shareholders of Media Times Limited ("the Company" or "MTL") will be held on Friday, 31 October 2014 at 03:00 p.m. at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, to transact the following business:

1. To confirm the minutes of last Extra Ordinary General Meeting held on 26 June 2014;

2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2014 together with the Directors' and Auditors' reports thereon;

3. To appoint Auditors for the year ending 30 June 2015 and fix their remuneration;

By order of the Board

Lahore:
09 October 2014

Tariq Majeed
Company Secretary

Notes:

1) The Members Register will remain closed from 24 October 2014 to 31 October 2014 (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 2014 will be considered in time for the purpose of Annual General Meeting.

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

3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head office of the Company 2nd and 3rd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. 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 CNIC 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 CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of **Media Times Limited** ("MTL" or "the Company") are pleased to present the annual report to the members along with the annual audited financial statements of the Company for the year ended 30 June 2014.

Financial Overview

During the period under review the company reported an after tax loss of Rs.565 million as compared to a loss of Rs.189 million in corresponding period last year. Turnover has been increased to Rs. 310 million as compared to Rs.306 million in corresponding period last year. Cost of production increased to Rs. 374 million. Increase in after tax loss was mainly due to impairment of goodwill of Rs. 150 million and charge of deferred tax asset to income of Rs. 171 million.

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:

	2014	2013
	(Rs. in Millions)	
Profit and Loss Account		
Turnover	310	306
Gross loss	(64)	(39)
Loss after Taxation	(565)	(189)
EPS Basic & Diluted- (Rupees)	(3.16)	(1.06)
Balance Sheet		
Non-Current Assets	730	1,167
Net Current Assets	(345)	(340)
Non-Current Liabilities	192	166
Share Capital and Reserves	193	760

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

Zaiqa 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 area 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. Maimanat Mohsin resigned from the board of Director and subsequent Ms. Ayesha Tammy Haq appointed as director in her place.

Election of directors was held during the month of June 2014 and all the retiring/existing directors were re-appointed for a further period of three year.

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
Aamna Taseer	5
Shehryar Ali Taseer	4
Shehrbano Taseer	5
Maheen Ghani Taseer	5
Imran Hafeez	5
Maimanat Mohsin (Resigned)	-
Ayesha Tammy Haq	-
Kanwar Latafat Ali Khan	-

Audit Committee

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

Members	Audit Committee Meetings Attended
Maheen Ghani Taseer (Chairman)	6
Aamna Taseer (Resigned)	6
Imran Hafeez (Member)	6
Kanwar Latafat Ali Khan (Member)	-

Subsequent to election of directors Mr. Kanwar Latafat Ali Khan is appointed as member of Audit Committee in place of Mrs. Aamna Taseer.

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, except for changes referred in Note 4 to the financial statements.

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, except for significant matters disclosed in Note - 2 to the financial statements.

There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.

Significant deviations from last year in operating results of the Company have been highlighted and reasons thereof explained above.

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

There are statutory payments on account of taxes, duties, levies and charges which are outstanding and have been disclosed in Note 20 to financial statements.

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

Information about loans and other debt instruments in which the Company is in default or likely to default are disclosed in Note 22 to the financial statements.

Trading of Directors

During the year under review no trading in the Company shares were carried out by the Directors, CEO, CFO, Company Secretary and their spouses including any minor children.

Auditors

The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants retire and offer themselves for reappointment. The Board of directors has recommended their appointment as auditors of the company for the year ending June 30, 2015, at a fee to be mutually agreed.

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 the financial constraints and requirements of the company, the board has not recommended any dividend for the year under review.

Earnings per Share

Earnings/ (Loss) per share for the financial year ended 30 June 2014 is Rs. (3.16) (2013: Rs. (1.06).

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
09 October 2014

Shehryar Ali Taseer
Chief Executive Officer

KEY OPERATING AND FINANCIAL INDICATORS

KEY INDICATORS

		2009	2010	2011	2012 (Restated)	2013 (Restated)	2014
Operating result							
Net Revenue		**504,415,423**	**498,588,391**	**378,729,276**	**275,233,804**	**305,928,075**	**310,049,444**
Gross profit/ (loss)		**179,596,481**	**124,451,103**	**51,803,673**	**(454,698,068)**	**(38,636,608)**	**(64,256,351)**
Profit / (loss) before tax		**(23,758,875)**	**(108,304,127)**	**(226,498,385)**	**(699,329,584)**	**(187,413,731)**	**(388,517,181)**
Profit / (loss) after tax		**(2,578,656)**	**(73,627,367)**	**(163,162,658)**	**(699,329,584)**	**(188,971,145)**	**(565,231,713)**
Financial Position							
Shareholder's equity		**1,438,689,890**	**1,365,062,523**	**1,201,899,865**	**950,433,566**	**760,194,680**	**193,476,711**
Property,plant & equipment		**1,133,914,950**	**1,324,349,538**	**1,333,004,815**	**944,673,377**	**833,344,358**	**717,353,139**
Net current assets		**173,546,031**	**158,922,289**	**(12,480,956)**	**(196,413,828)**	**(240,822,752)**	**(345,140,219)**
Profitability							
Gross profit/(loss)	%	**35.60**	**24.96**	**13.68**	**(165.20)**	**(12.63)**	**(20.72)**
Profit before tax/(loss)	%	**(4.71)**	**(21.72)**	**(59.80)**	**(254.09)**	**(61.26)**	**(125.31)**
Profit after tax/(loss)	%	**(0.51)**	**(14.77)**	**(43.08)**	**(254.09)**	**(61.77)**	**(182.30)**
Performance							
Fixed assets turnover	Times	**0.44**	**0.38**	**0.28**	**0.29**	**0.37**	**0.43**
Return on equity	%	**(0.002)**	**(0.054)**	**(0.136)**	**(0.736)**	**(0.249)**	**(2.921)**
Return on capital employed	%	**(0.001)**	**(0.043)**	**(0.106)**	**(0.935)**	**(0.319)**	**(1.519)**
Liquidity							
Current	Times	1.49	1.72	0.96	0.45	0.44	0.34
Quick	Times	1.22	1.61	0.93	0.44	0.43	0.34
Valuation							
Earning/(loss) per share	Rs.	**(0.02)**	**(0.55)**	**(1.22)**	**(4.53)**	**(1.06)**	**(3.16)**
Break up vale per share	Rs.	**10.73**	**10.18**	**8.96**	**5.31**	**4.25**	**1.08**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2014

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

No. of Shareholders	Shareholdings			Shares Held
	From		To	
148	1	-	100	1,952
195	101	-	500	94,747
180	501	-	1000	176,777
601	1001	-	5000	2,040,401
298	5001	-	10000	2,596,845
116	10001	-	15000	1,560,387
105	15001	-	20000	2,005,031
82	20001	-	25000	1,992,000
45	25001	-	30000	1,286,500
34	30001	-	35000	1,143,000
24	35001	-	40000	927,540
17	40001	-	45000	737,010
56	45001	-	50000	2,776,000
15	50001	-	55000	803,000
9	55001	-	60000	525,000
9	60001	-	65000	573,000
10	65001	-	70000	686,500
19	70001	-	75000	1,413,500
5	75001	-	80000	392,500
4	80001	-	85000	334,500
10	85001	-	90000	885,578
4	90001	-	95000	363,500
28	95001	-	100000	2,795,500
2	100001	-	105000	207,000
4	105001	-	110000	429,000
3	110001	-	115000	341,000
3	115001	-	120000	355,997
6	120001	-	125000	739,000
3	125001	-	130000	389,000
4	130001	-	135000	533,500
4	135001	-	140000	555,000
2	140001	-	145000	286,000
9	145001	-	150000	1,343,500
3	150001	-	155000	461,000
1	160001	-	165000	165,000
1	165001	-	170000	170,000

No. of Shareholders	Shareholdings			Shares Held
	From		To	
4	170001	-	175000	693,500
1	180001	-	185000	184,000
1	185001	-	190000	187,000
1	190001	-	195000	195,000
9	195001	-	200000	1,800,000
4	200001	-	205000	813,000
1	205001	-	210000	210,000
1	210001	-	215000	213,114
1	235001	-	240000	240,000
2	240001	-	245000	490,000
4	245001	-	250000	1,000,000
1	260001	-	265000	264,000
1	285001	-	290000	290,000
5	295001	-	300000	1,500,000
1	365001	-	370000	369,000
1	370001	-	375000	375,000
1	385001	-	390000	387,500
1	395001	-	400000	400,000
2	400001	-	405000	806,500
1	410001	-	415000	410,105
1	415001	-	420000	417,500
1	420001	-	425000	425,000
1	495001	-	500000	500,000
1	555001	-	560000	560,000
1	560001	-	565000	560,500
1	570001	-	575000	575,000
2	595001	-	600000	1,197,000
1	665001	-	670000	669,700
1	675001	-	680000	680,000
1	695001	-	700000	700,000
1	895001	-	900000	900,000
1	935001	-	940000	940,000
1	1080001	-	1085000	1,081,035
1	1495001	-	1500000	1,500,000
1	2095001	-	2100000	2,100,000
1	2605001	-	2610000	2,610,000
1	3770001	-	3775000	3,771,000
1	4195001	-	4200000	4,199,500
1	9160001	-	9165000	9,164,672
1	11155001	-	11160000	11,158,000
1	23670001	-	23675000	23,674,859
1	25075001	-	25080000	25,079,000
1	43470001	-	43475000	43,474,760
2126				**178,851,010**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2014

Categories of Shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	4,200	0.002
Associated Companies, undertakings and related parties.	51,332,132	28.701
NIT and ICP	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions	2,610,000	1.459
Insurance	-	-
Modarabas and Mutual Funds	-	-
Share holders holding 10% or more	45,264,770	25.309
General Public		
a) Local	65,484,255	36.614
b) Foreign	1,195,611	0.668
Others:		
- Joint Stock Companies	57,555,112	32.180
- Foreign Companies	669,700	0.374

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

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT 30 JUNE 2014

Shareholders' Category	Number of Shares held
Associated Companies, undertaking and related parties	
First Capital Securities Corporation Limited	45,264,770
First Capital Equities Limited	6,067,362
Directors, CEO and their Spouse and Minor Children	
Aamna Taseer	1,000
Shehryar Ali Taseer	600
Shehrbano Taseer	500
Maheen Ghani Taseer	600
Ayesha Tammy Haq	500
Imran Hafeez	500
Kanwar Latafat Ali Khan	500
Public Sector Companies and Corporations	57,555,112
Banks Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pention Funds	2,610,000
Shareholders holding 5% or more voting rights in the Company	
First Capital Securities Corporation Limited	45,264,770
Salmaan Taseer	9,164,672
WTL Services (Pvt.) Limited	13,858,000
Milege (Pvt.) Limited	10,905,646
Wireless n Cable (Pvt.) Limited	14,772,813
WorldCall Mobile (Pvt.) Limited	13,136,497

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

MEDIA TIMES LIMITED ("THE COMPANY")
FOR THE YEAR ENDED 30 JUNE 2014

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of Karachi Stock Exchange Limited and Lahore Stock Exchange 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	Kanwar Latafat Ali Khan
Executive Directors	Shehryar Ali Taseer Shehrbano Taseer
Non-Executive Directors	Aamna Taseer Maheen Ghani Taseer Imran Hafeez Ayesha Tammy Haq

The independent directors 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 on 28 November 2013 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) The Board arranged orientation courses/training programs for its directors during the year.

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 non-executive 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) The Board of Directors of the Company has formed an HR and Remuneration Committee. It comprises 3 members, of whom 2 are non-executive directors and the chairman of the committee is a non-executive 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) The Board has in plan a mechanism for evaluation of performance of the Board.

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

For and on behalf of the Board

Lahore
09 October 2014

Shehryar Ali Taseer
CEO / Director

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Media Times Limited for the year ended 30 June 2014 to comply with the requirements of Listing Regulations of the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 apart of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30June 2014.

LAHORE
09 October 2014

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

Auditors' Report to the Members

We have audited the annexed balance sheet of **Media Times Limited ("the Company")**as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement 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 purposes of our audit.

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

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

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

b) in our opinion:

   i) the balance sheet and profit and loss account 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 except for the change as stated in note 4 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 balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with 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 30 June 2014 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion no Zakat was deductible at source by the Company under section 7 of the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion we have drawn attention to Note 2 to the financial statements which states that the Company has incurred a net loss of Rs. 565.23 million during the year ended 30 June 2014 and, as of date, the Company's current liabilities exceeded its current assets by 345.14 million. The Company's equity has been eroded by accumulated losses and at 30 June 2014 stand at Rs. 193.48 million. These conditions along with other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

The financial statements of the Company for the year ended 30 June 2013 were audited by Nasir Javed Maqsood Imran, Chartered Accountants whose report dated 05 October 2013 expressed an unqualified opinion thereon.

LAHORE
09 October 2014

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

Balance Sheet
As at 30 June 2014

	Note	2014 Rupees	2013 Rupees (Restated)	2012 Rupees (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	7	**717,353,139**	833,344,358	944,673,377
Intangibles	8	**2,376,962**	152,373,570	152,640,370
Long term deposits	9	**11,226,627**	10,862,627	8,347,127
Deferred tax asset - net	10	**-**	170,615,102	169,932,472
		730,956,728	1,167,195,657	1,275,593,346
Current assets				
Stores and spares		**1,629,547**	3,366,939	5,456,063
Television programme cost	11	**540,000**	-	-
Trade debts	12	**114,086,938**	128,814,964	103,506,322
Loans and advances	13	**5,535,196**	8,269,531	8,774,958
Short term prepayments		**1,361,597**	1,181,393	7,162,827
Other receivables	14	**24,675,431**	15,308,998	5,440,804
Tax refunds due from the Government		**29,183,351**	26,862,290	26,808,583
Cash and bank balances	15	**1,051,966**	1,781,805	4,675,804
		178,064,026	185,585,920	161,825,361
		909,020,754	1,352,781,577	1,437,418,707
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised share capital				
180,000,000 ordinary shares of Rs. 10/- each		**1,800,000,000**	1,800,000,000	1,800,000,000
Issued, subscribed and paid up capital	16	**1,788,510,100**	1,788,510,100	1,788,510,100
Reserves	17	**(1,595,033,389)**	(1,028,315,420)	(838,076,534)
		193,476,711	760,194,680	950,433,566
Non-current liabilities				
Long term financing	18	**121,598,742**	103,843,742	72,961,018
Deferred liabilities	19	**70,741,056**	62,334,483	55,784,934
		192,339,798	166,178,225	128,745,952
Current liabilities				
Trade and other payables	20	**395,884,922**	321,915,405	268,039,747
Mark-up accrued	21	**48,409,308**	34,255,318	15,639,749
Short term borrowings	22	**63,471,090**	60,098,162	50,000,000
Provision for taxation		**15,438,925**	10,139,787	24,559,693
		523,204,245	426,408,672	358,239,189
Contingencies and commitments	23			
		909,020,754	1,352,781,577	1,437,418,707

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

Lahore:
09 October 2014

Chief Executive **Director**

Profit and Loss Account
For the year ended 30 June 2014

	Note	2014 Rupees	2013 Rupees
Turnover - net	*24*	**310,049,444**	305,928,075
Cost of production	*25*	**(374,305,795)**	(344,564,683)
Gross loss		**(64,256,351)**	(38,636,608)
Administrative expenses	*26*	**(167,983,100)**	(141,186,901)
Other expenses	*27*	**(151,427,266)**	-
Finance cost	*28*	**(17,814,997)**	(21,021,896)
Other income	*29*	**12,964,533**	13,431,674
Loss before taxation		**(388,517,181)**	(187,413,731)
Taxation	*30*	**(176,714,532)**	(1,557,414)
Loss after taxation		**(565,231,713)**	(188,971,145)
Loss per share - basic and diluted	*31*	**(3.16)**	(1.06)

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

Lahore: **Chief Executive** **Director**
09 October 2014

Statement of Comprehensive Income
For the year ended 30 June 2014

	2014 Rupees	2013 Rupees (Restated)
Loss after taxation	**(565,231,713)**	(188,971,145)
Other comprehensive income		
Items that will never be reclassified to profit or loss:		
Remeasurement of defined benefit liability	**(2,286,548)**	(1,950,371)
Related tax impact	**800,292**	682,630
	(1,486,256)	(1,267,741)
Total comprehensive loss for the year	**(566,717,969)**	(190,238,886)

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

Lahore:
09 October 2014

Chief Executive

Director

Statement of Changes in Equity
For the year ended 30 June 2014

	Note		Capital reserves	Revenue reserve	
		Share capital	Share premium	unappropirated loss	Total
		------ Rupees ------			
Balance at 01 July 2012 as previously reported		1,788,510,100	76,223,440	(915,035,739)	949,697,801
Effect of retrospective change in accounting policy	4	-	-	735,765	735,765
Balance at 01 July 2012 - restated		1,788,510,100	76,223,440	(914,299,974)	950,433,566
Total comprehensive loss for year ended 30 June 2013					-
Loss for the year		-	-	(188,971,145)	(188,971,145)
Other comprehensive loss for the year		-	-	(1,267,741)	(1,267,741)
Total comprehensive loss - restated		-	-	(190,238,886)	(190,238,886)
Balance at 30 June 2013 - restated		**1,788,510,100**	**76,223,440**	**(1,104,538,860)**	**760,194,680**
Total comprehensive loss for year ended 30 June 2014					
Loss for the year		**-**	**-**	**(565,231,713)**	**(565,231,713)**
Other comprehensive loss for the year		**-**	**-**	**(1,486,256)**	**(1,486,256)**
Total comprehensive loss		**-**	**-**	**(566,717,969)**	**(566,717,969)**
Balance at 30 June 2014		**1,788,510,100**	**76,223,440**	**(1,671,256,829)**	**193,476,711**

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

Lahore:
09 October 2014

Chief Executive

Director

Cash Flow Statement
For the year ended 30 June 2014

	Note	2014 Rupees	2013 Rupees (Restated)
Cash flows from operating activities			
Cash used in operations	*32*	**(20,064,997)**	(25,592,597)
Increase in long term deposits		**(364,000)**	(2,515,500)
Retirement benefits paid		**(293,000)**	(1,960,630)
Taxes paid		**(2,321,061)**	(453,707)
Net cash used in operating activities		**(23,043,058)**	(30,522,434)
Cash flows from investing activities			
Fixed capital expenditure		**(1,636,627)**	(1,256,755)
Sale proceeds of property, plant and equipment		**6,482,925**	779,995
Net cash generated from / (used in) investing activities		**4,846,298**	(476,760)
Cash flows from financing activities			
Receipt of long term finances - net		**17,755,000**	28,682,724
Receipt of short term borrowings		**500,000**	-
Repayment of modaraba finance		**(600,000)**	-
Finance cost paid		**(188,079)**	(577,529)
Net cash generated from financing activities		**17,466,921**	28,105,195
Net decrease in cash and cash equivalents		**(729,839)**	(2,893,999)
Cash and cash equivalents at the beginning of the year		**1,781,805**	4,675,804
Cash and cash equivalents at the end of the year	*15*	**1,051,966**	1,781,805

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

Lahore: **Chief Executive** **Director**
09 October 2014

Notes to the Financial Statements
For the year ended 30 June 2014

1 Reporting entity

Media Times Limited (“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. The Company is primarily involved 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, quality films and documentaries through satellite channels by the name of "Business Plus" and "Zaiqa" (formerly Wikkid Plus) respectively.

2 Significant matters

The Company has incurred a net loss of Rs. 565.23 million during the year ended 30 June 2014 and, as of date, the Company’s current liabilities exceeded its current assets by 345.14 million. The Company’s majority of equity has been eroded by accumulated losses which at 30 June 2014 stand at Rs. 193.48 million. However loss for the year includes non-cash expenses amounting to Rs. 321.14 million related to goodwill and deferred tax. Operationally the Company has re-launched its food channel “ZAIQA TV” with new theme of travel and culture in addition to food, in collaboration with a foreign partner. This venture is expected to generate revenue with its unprecedented content of documentaries related to travel and culture. The management of the Company is confident that the above actions and steps shall enable the Company to attract revenue streams that will result in improved liquidity. In addition to that the Company’s promoters have offered full support to the Company to meet any working capital needs.

3 Basis of preparation

3.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS's) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except the recognition of certain employee benefits at present value as referred to in note 18.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the Company's functional currency.

3.4 Use of estimates and judgments

The preparation of financial statements is in conformity with approved accounting standards as applicable in Pakistan, which require 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 of 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:

a)	Useful life of depreciable assets	*Note 5.1 & 6.1*
b)	Amortization of intangibles	*Note 5.2 & 8*
c)	Television program costs	*Note 5.4*
d)	Staff retirement benefits	*Note 5.8 & 19*
e)	Taxation	*Note 5.13 & 10*
g)	Provisions and contingencies	*Note 23*

Other areas where estimates and judgements are involved have been disclosed in the respective notes to the financial statements.

4 Change in accounting policy

Except for the change below, the Company has consistently applied the accounting policies as set out in note 5 to all the periods presented in these financial statements. The Company has adopted the following new standard and amendments to standard, including any consequential amendments to other standards, with the date of initial application of 1 January 2013:

- IAS 19 "Employee Benefits" (See (b))

The nature and the effect of the changes are further explained below:

As a result of IAS 19 (2011), the Company has changed its accounting policy with respect to the basis for determining the income or expense related to post employment defined benefit plans.

Under IAS 19, the Company determines the net interest expense (income) for the year on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Consequently, the net interest on the net defined benefit liability (asset) now comprises interest cost on the defined benefit obligation.

All the changes in present value of defined benefit obligation are now recognized in the statement of comprehensive income and the past service costs are recognized in profit and loss account immediately in the period they occur.

The change in accounting policy has been applied retrospectively. The effect of the change is as follows:

	2013		2012	
	Previously reported	Restated	Previously reported	Restated
	------ Rupees ------			
Balance sheet				
Deferred tax asset - net	170,328,653	170,615,102	170,328,653	169,932,472
Reserves	(1,027,783,444)	(1,028,315,420)	(838,812,299)	(838,076,534)
Deferred liabilities	61,516,058	62,334,483	56,916,880	55,784,934

	2013		
	Previously reported	Defined benefit plans	Restated
	------ Rupees ------		
Statement of comprehensive income			
Remeasurement of defined benefit liability	-	(1,950,371)	(1,950,371)
Related tax impact	-	682,630	682,630

	2012		
	Previously reported	Defined benefit plans	Restated
	------ Rupees ------		
Statement of changes in equity			
Unappropriated loss	(915,035,739)	735,765	(914,299,974)

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Property, plant and equipment

5.1.1 Owned

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, labour and other attributable expenses.

Depreciation is charged to profit and loss account on the straight line method whereby cost of an asset is written off over its estimated useful life at the rates given in note 6.

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Repairs and maintenance are charged to profit and loss account as and when incurred. Renovation and improvements are capitalized when it is probable that future economic benefits will flow to the Company, 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 recognised in profit and loss account.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

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

5.1.2 Leased

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. The interest element of the rental is charged to profit and loss account over the lease term.

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 6.1. Depreciation of leased assets is charged to profit and loss account.

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.

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

5.1.3 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss (if any) and includes the expenditures on material, labour and appropriate directly attributable overheads. These costs are transferred to property, plant and equipment as and when assets are available for their intended use.

5.2 Intangibles

Intangibles that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is charged to profit and loss account as incurred.

Intangibles are amortised on a straight-line basis in profit and loss over their estimated useful lives, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.3 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.

5.4 Television program costs

a) Completed originated programmes, programmes in production and prepayments to acquire future programme?related rights.

Completed originated programmes and programmes in production are held at cost. Cost includes all direct costs, production overheads and a proportion of other attributable overheads. The proportion of programmes necessarily taking a substantial period of time to produce is small and as such no borrowing costs are included in cost.

Where a programme is unable to be broadcast, as soon as it is virtually certain that this is the case, the full value of the programme will be written off to the income statement. Programme development costs are expensed to the income statement until such time as there is a strong indication that the development work will result in a commissioned programme, when any further costs are recognised as programme-related assets.

Originated programmes that are still in production at the balance sheet date are recognised as programmes in production, except that prepayments to acquire future programme-related rights are shown separately where the Company has made payments to independent producers, or the holders of certain rights, to receive the programme on completion.

b) Rights to broadcast acquired programmes and films

The rights to broadcast acquired programmes and films are recognised at cost. The costs of acquired programmes and films are written off on first transmission except to the extent that the numbers of further showings are contractually agreed, when they are written off according to the expected transmission profile. Assets and liabilities relating to acquired programmes are recognised at the point of payment or commencement of the licence period, whichever is earlier. Agreements for the future purchase of rights whose licence period has not commenced and where there has been no payment by the balance sheet date are disclosed as purchase commitments.

Where the Company has invested in independent productions, in addition to broadcasting rights, the Company may obtain rights to future royalties from the sale of rights associated with the production. These residual interests are recognised initially at cost subject to amortisation as royalties are received and impaired if anticipated royalties do not materialise.

5.5 Financial instruments

5.5.1 *Non-derivative financial assets*

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Financial assets classifies into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity financial assets
- Loans and receivables; and
- Available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. A provision for impairment of loans and receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Loans and receivables comprise deposits, loan and advances, tax refund due from Government, cash and cash equivalents, trade debts and other receivables including accrued interest.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

As at 30 June 2014 no financial assets of the Company are classified under following categories:

- Financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and
- Held-to-maturity financial assets.

5.5.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.
Financial liabilities comprise of financing, trade and payables, accrued mark-up and provision for taxation.

Share capital (Ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

5.6 Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit and loss account, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss account and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit and loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit and loss account. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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 or amortisation, if no impairment loss had been recognised.

5.7 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 profit and loss currently.

5.8 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. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss account.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit and loss account. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

5.9 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

5.10 Contingent liabilities

Contingent liability is disclosed when:

— there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

— there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.11 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 dispatch of newspapers;

— Advertisement revenue from newspaper is recorded at the time of publication of advertisement;

— Advertisement revenue from satellite channels is recognized when the related advertisement or commercial appears before the public i.e. on telecast;

— Sale of outdated newspaper is recognized on actual realization basis;

— Rental income from investment property is recognized on accrual basis;

— Production and other services and media planning is recognized on completion of work when services have been rendered; and

— Income from bank deposits, loans and advances is recognized on an accrual basis.

5.12 Borrowings 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.

5.13 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity respectively.

Current

Provision for current taxation is calculated on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax base. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Further, the Company recognizes deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

5.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to share holder and the weighted average number of ordinary share outstanding, adjusted for the effects of all dilutive potential ordinary shares.

5.15 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. Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and accessing performance of the operating segments, has been identified as the Board of Director of the Company that makes strategic decisions.

6 Initial application of new standards, interpretations or amendments to existing standards and forthcoming requirements

6.1 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company except as mentioned in note 3.

6.2 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Company’s financial statements.

- 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. The amendments are not likely to have an impact on Company’s financial statements.

- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 “Impairment of Assets” address, the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. The amendments are not likely to have an impact on Company’s financial statements.

- Amendments to IAS 19 “Employee Benefits” employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. The amendments are not likely to have an impact on Company’s financial statements.

- Amendments to IAS 38 “Intangible Assets” and IAS 16 “Property, Plant and Equipment” (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company’s financial statements.

- IFRS 10 “Consolidated Financial Statements” – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 “Consolidated and Separate Financial Statements”. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called “Separate Financial Statements” and will deal with only separate financial statements. The amendments are not likely to have an impact on Company’s financial statements.

- IFRS 11 “Joint Arrangements” (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 “Interests in Joint Ventures”. Firstly, it carves out from IAS 31, jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31, jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28, which has now been named “Investment in Associates and Joint Ventures”. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The amendments are not likely to have an impact on Company’s financial statements.

- IFRS 12 “Disclosure of Interest in Other Entities” (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The amendments are not likely to have an impact on Company’s financial statements.

- IFRS 13 “Fair Value Measurement” effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The amendments are likely to result in additional disclosures.

- Amendment to IAS 27 “Separate Financial Statement” (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are not likely to have an impact on Company’s financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that is used in the supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company’s financial statements.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards;

- IFRS 2 “Share-based Payment”. IFRS 2 has been amended to clarify the definition of ‘vesting condition’ by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both; how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition. The amendments are not likely to have an impact on Company’s financial statements.

- IFRS 3 “Business Combinations”. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 8 "Operating Segments" has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 16 "Property, plant and equipment" and IAS 38 "Intangible Assets". The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset. The amendments are not likely to have an impact on Company's financial statements.

- IAS 24 "Related Party Disclosure". The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. The amendments are not likely to have an impact on Company's financial statements.

- IAS 40 "Investment Property". IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination. The amendments are not likely to have an impact on Company's financial statements.

7 Property, plant and equipment

	Owned assets							Leased assets					
	Leasehold improvements	Plant and machinery	Office equipment	Computers	Furniture and fittings	Vehicles	Sub total	Plant and equipment	Office equipment	Computers	Vehicles	Sub total	Total
	Rupees												
Cost													
Balance at 1 July 2012	66,368,767	1,211,754,499	56,097,545	48,013,853	12,793,063	32,804,745	1,427,832,472	66,667,045	120,178	272,541	4,808,679	71,868,443	1,499,700,915
Additions during the year	-	220,359	128,750	879,647	27,999	-	1,256,755	-	-	-	-	-	1,256,755
Disposals during the year	-	-	-	-	-	(653,785)	(653,785)	-	-	-	-	-	(653,785)
Balance at 30 June 2013	66,368,767	1,211,974,858	56,226,295	48,893,500	12,821,062	32,150,960	1,428,435,442	66,667,045	120,178	272,541	4,808,679	71,868,443	1,500,303,885
Balance at 1 July 2013	**66,368,767**	**1,211,974,858**	**56,226,295**	**48,893,500**	**12,821,062**	**32,150,960**	**1,428,435,442**	**66,667,045**	**120,178**	**272,541**	**4,808,679**	**71,868,443**	**1,500,303,885**
Additions during the year	**-**	**113,100**	**22,577**	**370,950**	**1,130,000**	**-**	**1,636,627**	**-**	**-**	**-**	**-**	-	1,636,627
Disposals during the year	**-**	**(26,920,085)**	**-**	**-**	**-**	**(77,400)**	**(26,997,485)**	**-**	**-**	**-**	**-**	-	(26,997,485)
Balance at 30 June 2014	**66,368,767**	**1,185,167,873**	**56,248,872**	**49,264,450**	**13,951,062**	**32,073,560**	**1,403,074,584**	**66,667,045**	**120,178**	**272,541**	**4,808,679**	**71,868,443**	**1,474,943,027**
Accumulated depreciation													
Balance at 1 July 2012	16,645,368	395,479,789	30,004,362	47,740,097	7,850,814	29,450,359	527,170,789	23,598,984	58,137	272,541	3,927,086	27,856,748	555,027,537
Depreciation for the year	3,318,438	94,868,239	5,271,411	242,220	1,120,615	2,176,846	106,997,769	4,691,096	12,018	-	881,593	5,584,707	112,582,476
Depreciation on disposals	-	-	-	-	-	(650,486)	(650,486)	-	-	-	-	-	(650,486)
Balance at 30 June 2013	19,963,806	490,348,028	35,275,773	47,982,317	8,971,429	30,976,719	633,518,072	28,290,080	70,155	272,541	4,808,679	33,441,455	666,959,527
Balance at 1 July 2013	**19,963,806**	**490,348,028**	**35,275,773**	**47,982,317**	**8,971,429**	**30,976,719**	**633,518,072**	**28,290,080**	**70,155**	**272,541**	**4,808,679**	**33,441,455**	**666,959,527**
Depreciation for the year	**3,318,438**	**93,985,071**	**4,797,479**	**441,654**	**1,039,204**	**1,162,502**	**104,744,348**	**4,691,097**	**12,018**	**-**	**-**	**4,703,115**	**109,447,463**
Depreciation on disposals	**-**	**(18,739,702)**	**-**	**-**	**-**	**(77,400)**	**(18,817,102)**	**-**	**-**	**-**	**-**	**-**	**(18,817,102)**
Balance at 30 June 2014	**23,282,244**	**565,593,397**	**40,073,252**	**48,423,971**	**10,010,633**	**32,061,821**	**719,445,318**	**32,981,177**	**82,173**	**272,541**	**4,808,679**	**38,144,570**	**757,589,888**
Carrying value													
At 30 June 2013	46,404,961	721,626,830	20,950,522	911,183	3,849,633	1,174,241	794,917,370	38,376,965	50,023	-	-	38,426,988	833,344,358
At 30 June 2014	**43,086,523**	**619,574,476**	**16,175,620**	**840,479**	**3,940,429**	**11,739**	**683,629,266**	**33,685,868**	**38,005**	**-**	**-**	**33,723,873**	**717,353,139**
Depreciation rate (% per annum)	5%	6.67% - 10%	10%	33%	10%	20%		6.67% - 10%	10%	33%	20%		

	Note	2014 Rupees	2013 Rupees
7.1 The depreciation charge for the year has been allocated as follows:			
Cost of production	*25*	**98,699,769**	99,559,335
Administrative expenses	*26*	**10,747,695**	13,023,141
		109,447,464	112,582,476

7.2 At 30 June 2014 fixed assets (equipment and machinery) having a carrying value of Rs. 50 million and Rs. 40 million (2013: Rs. 50 million and Rs. 40 million) are subject to charge as per details mentioned in note 22.1 and 22.2 respectively.

7.3 **Following assets were disposed off during the year;**

	2014						
	Cost	**Depreciation**	**Net book value**	**Sale proceeds**	**Profit / (loss)**	**Mode of sale**	**Particulars of buyers**
	------------------------	------------------------	--Rupees--	------------------------	------------------------		
Particulars of assets:							
Plant and machinery							
Goss community press machine	7,996,305	5,484,896	2,511,409	1,907,312	(604,097)	Negotiation	Sold to various buyers from Misri Shah - Lahore
Goss community press machine	7,781,628	5,450,495	2,331,133	1,698,600	(632,533)	Negotiation	Sold to various buyers from Misri Shah - Lahore
Hunter press machine	11,142,152	7,804,311	3,337,841	2,552,013	(785,828)	Negotiation	World Press Private Limited (Associated company)
Vehicles							
Suzuki Baleno	77,400	77,400	-	325,000	325,000	Negotiation	Mr. Muhammad Iqbal Zahid (Employee)
	26,997,485	**18,817,102**	**8,180,383**	**6,482,925**	**(1,697,458)**		

	2013						
	Cost	Depreciation	Net book value	Sale proceeds	Profit	Mode of sale	Particulars of buyers
	------------------------	------------------------	--Rupees--	------------------------	------------------------		
Particulars of assets:							
Vehicles							
Suzuki Bolan	68,785	65,486	3,299	119,995	116,696	Negotiation	Mr. Muhammad Zahid Khan (Employee)
Suzuki Cultus	585,000	585,000	-	660,000	660,000	Negotiation	Mr. Anjum Zahid (Employee)
	653,785	650,486	3,299	779,995	776,696		

8 Intangibles

	Goodwill	Licenses	Computer software	Total
	- - - - - - - - - - - - - - - - - - - -	- Rupees -	- - - - - - - - - - - - - - - - - - - -	
Cost				
Balance at 1 July 2012	149,729,808	4,000,000	422,000	154,151,808
Balance at 30 June 2013	149,729,808	4,000,000	422,000	154,151,808
Balance at 1 July 2013	**149,729,808**	**4,000,000**	**422,000**	**154,151,808**
Balance at 30 June 2014	**149,729,808**	**4,000,000**	**422,000**	**154,151,808**
Accumulated amortization and impairment				
Balance at 1 July 2012	-	1,089,438	422,000	1,511,438
Amortization for the year	-	266,800	-	266,800
Balance at 30 June 2013	-	1,356,238	422,000	1,778,238
Balance at 1 July 2013	**-**	**1,356,238**	**422,000**	**1,778,238**
Amortization for the year	**-**	**266,800**	**-**	**266,800**
Impairment	**149,729,808**	**-**	**-**	**149,729,808**
Balance at 30 June 2014	**149,729,808**	**1,623,038**	**422,000**	**151,774,846**
Carrying amounts				
At 30 June 2013	149,729,808	2,643,762	-	152,373,570
At 30 June 2014	**-**	**2,376,962**	**-**	**2,376,962**
Amortization rate (% per annum)		**6.67%**	**20% - 50%**	

8.1 The amortization charge for the year has been allocated to cost of production.

8.2 Goodwill represented 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 and was allocated to the electronic media segment of the Company.

During the year, the management reassessed its estimate of recoverable amount of electronic media segment and decided to write-off goodwill. The recoverable amount was estimated based on its value in use and was determined using a discount rate of 14.11% and a terminal growth rate of 1.15%.

	Note	**2014** **Rupees**	2013 Rupees
9 Long term deposits			
Security deposit	*9.1*	**11,226,627**	10,862,627

9.1 This includes security deposits amounting to Rs. 4.18 million(2013: Rs. 4.18 million)and Rs. 2.5 million (2013: Rs. 2.5 million) to Pak Sat and Super Media Communication respectively.

	2014			
	Balance at beginning of the year	**Recognised in profit and loss account**	**Recognised in other comprehensive income**	**Balance at end of the year**
	---------- Rupees ----------			
	(Restated)			
10 Deferred tax asset / (liability)				
Taxable temporary difference				
Accelerated tax depreciation allowances	**(231,340,106)**	**78,010,732**	**-**	**(153,329,374)**
Deductible temporary difference				
Unused tax losses	**384,417,070**	**(231,087,696)**	**-**	**153,329,374**
Others	**17,538,138**	**(18,338,430)**	**800,292**	**-**
	170,615,102	**(171,415,394)**	**800,292**	**-**

	2013			
	Balance at beginning of the year	Recognised in profit and loss account	Recognised in other comprehensive income	Balance at end of the year
	---------- Rupees ----------			
	(Restated)			*(Restated)*
Taxable temporary difference				
Accelerated tax depreciation allowances	(231,340,106)	-	-	(231,340,106)
Deductible temporary difference				
Unused tax losses	384,417,070	-	-	384,417,070
Others	16,855,508	-	682,630	17,538,138
	169,932,472	-	682,630	170,615,102

The Company has a deferred tax asset amounting to Rs. 687.90 million arising on unused tax losses and deductible temporary differences. Tax losses can be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001.

The management believes that sufficient taxable profits will be available in future due to the steps taken by management (as explained in note 2). However, being prudent the Company has recognised deferred tax assets on unused tax losses only, to the extent of available deductable temporary differences.

	2014 Rupees	2013 Rupees
11 Television programme cost		
Rights to broadcast acquired programmes	**2,490,000**	-
Less : programes cost written down	**(1,950,000)**	-
	540,000	-

The main output of the electronic division of the Company is the production of programmes for broadcast and the sale of rights for others to broadcast. This note discloses the amounts for those programmes that are completed and are ready for broadcast, but not yet aired.

Originated programmes are stated at the lower of cost and net realisable value, and the full value is written off on first transmission. The costs of acquired programmes and films are also written off on first transmission except to the extent that the numbers of further showings are contractually agreed, when it is written off according to its expected transmission profile.

	Note	2014 Rupees	2013 Rupees
12 Trade debts			
Considered good:			
Unsecured			
Related party	*12.1*	**17,444,549**	13,513,976
Others		**88,609,543**	107,537,153
Secured			
Distributors of newspaper	*12.2*	**8,032,846**	7,763,835
		114,086,938	128,814,964
Considered doubtful		**118,711,682**	79,072,145
		232,798,620	207,887,109
Provision for doubtful debts	*12.3*	**(118,711,682)**	(79,072,145)
		114,086,938	128,814,964

12.1 Related party

Associates

	2014 Rupees	2013 Rupees
Worldcall Telecom Limited	**16,767,268**	8,457,868
First Capital Securities Corporation Limited	**137,801**	111,800
First Capital Equities Limited	**428,480**	368,680
First Capital Mutual Fund	**104,000**	78,000
First Capital Investments Limited	**6,500**	-
Pace Super Mall	**500**	500
Pace Barka Properties Limited	-	4,497,128
	17,444,549	13,513,976

12.2 These debts are secured against deposits received from newspaper distribution agencies.

	Note	2014 Rupees	2013 Rupees
12.3 Provision for doubtful debts			
Opening balance		**79,072,145**	70,977,845
Charged during the year	*26*	**40,339,537**	8,094,300
Bed debt written off during the year		**(700,000)**	-
Closing balance		**118,711,682**	79,072,145

12.4 The age analysis of trade debts from related parties is disclosed in note 36.2.3 to the financial statements.

13 Loans and advances

	Note	2014 Rupees	2013 Rupees
Considered good:			
Advances against expenses:			
- Chief executive		**100,000**	-
- Directors		**806,851**	511,070
- Executives		**506,940**	380,527
- Others		**3,596,180**	6,193,413
	13.1	**5,009,971**	7,085,010
Advances to suppliers		**525,225**	25,226
Advances against content		**-**	1,159,295
		525,225	1,184,521
		5,535,196	8,269,531

13.1 These interest free advances are secured against salary / final settlement of the employees.

14 Other receivables

	Note	2014 Rupees	2013 Rupees
Unsecured - considered good:			
Due from related parties	*14.1*	**24,675,431**	15,043,282
Others		**-**	265,716
		24,675,431	15,308,998

14.1 This represents rent receivable from related party - Worldcall Telecom Limited.

	Note	2014 Rupees	2013 Rupees
15 Cash and bank balances			
Cash in hand		**96,245**	112,377
Cash at banks			
- current accounts		**836,902**	781,825
- deposit accounts	*15.1*	**118,819**	887,603
		955,721	1,669,428
		1,051,966	1,781,805

15.1 The balances in deposit accounts bear mark up at the rate of 6% to 7.5% (2013: 7.5% to 8.6%) per annum.

16 Issued, subscribed and paid up capital

2014 Number of shares	2013 Number of shares		2014 Rupees	2013 Rupees
135,871,350	135,871,350	Ordinary share of Rs. 10 /- each fully paid in cash	**1,358,713,500**	1,358,713,500
42,979,660	42,979,660	Ordinary shares of Rs. 10 /- each issued other than cash, in accordance with the scheme of merger with TML.	**429,796,600**	429,796,600
178,851,010	178,851,010		**1,788,510,100**	1,788,510,100

16.1 Ordinary shares of the Company held by associated companies as at year end are as follows:

	2014		2013	
	Percentage of holding	**Number of shares**	Percentage of holding	Number of shares
First Capital Securities Corporation Limited	**25.31%**	**45,264,770**	47.47%	84,900,267
First Capital Equities Limited	**3.39%**	**6,067,362**	9.99%	17,858,287

	Note	2014 Rupees	2013 Rupees
17 Reserves			
Capital reserves:			
Share premium	*17.1*	**76,223,440**	76,223,440
Revenue reserves:			
Unappropriated loss		**(1,671,256,829)**	(1,104,538,860)
		(1,595,033,389)	(1,028,315,420)

17.1 The reserve can be utilizedby the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

	Note	2014 Rupees	2013 Rupees
18 Long term financing			
Loan from related party	*18.1*	**121,598,742**	103,843,742

18.1 This represents loan obtained from WTL Services (Private) Limited. This loan is repayable on or before January 2022. This is an unsecured loan and carries mark-up at the rate of three months KIBOR+300 bps per annum (2013: 15% per annum).

	Note	2014 Rupees	2013 Rupees *(Restated)*
19 Deferred liabilities			
19.1 Gratuity			
The amount recognised in the balance sheet is as follows:			
Present value of defined benefit obligation	*19.3*	**24,734,185**	22,506,062
Benefits due but not paid		**46,006,871**	39,828,421
		70,741,056	62,334,483
19.2 Movement in liability recognized in the balance sheet are as follows:			
Balance at beginning of the year		**62,334,483**	55,784,934
Charge to profit and loss account	*19.4*	**6,413,025**	6,559,808
Charge to other comprehensive income	*19.5*	**2,286,548**	1,950,371
Payments made during the year		**(293,000)**	(1,960,630)
Balance at end of the year		**70,741,056**	62,334,483
19.3 Movement in the present value of defined benefit obligation:			
Balance at beginning of the year		**22,506,062**	18,334,997
Current service cost	*19.4*	**4,389,640**	4,176,258
Interest cost	*19.4*	**2,023,385**	2,383,550
Benefit due but not paid		**(6,471,450)**	(4,120,984)
Benefits paid		**-**	(218,130)
Actuarial loss for the year	*19.5*	**2,286,548**	1,950,371
Balance at end of the year		**24,734,185**	22,506,062

19.4 The amounts recognized in the profit and loss account against defined benefit schemes are as follows:

	Note	2014 Rupees	2013 Rupees *(Restated)*
Current service cost		**4,389,640**	4,176,258
Interest cost		**2,023,385**	2,383,550
Net charge to profit and loss		**6,413,025**	6,559,808

19.5 Included in other comprehensive income

Remeasurement of plan obligation from:

Experience adjustment on obligation	**2,286,548**	1,950,371

19.6 Estimated expense to be charged to profit and loss next year

Current service cost	**5,408,384**	4,389,640
Interest cost	**3,109,260**	2,363,137
Net charge to profit and loss	**8,517,644**	6,752,777

19.7 Recent actuarial valuation of plan was carried out on 30 June 2014 by Nauman Associates.

19.8 The principal actuarial assumptions at the reporting date were as follows:

	2014	2013
Discount rate	**11%**	13.00%
Discount rate used for year end obligation	**14%**	10.50%
Future salary increases	**12%**	8.50%

Mortality rate

Mortality of active employees is represented by the SLIC (2001-2005) Mortality Table with one year Setback. Last year mortality was represented by EFU 61-66.

As at 30 June 2014, the weighted average duration of the defined benefit obligation was 10 years (2013: 12 years).

The valuation uses the Projected Unit Credit Method.

19.9 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
	Percentage	**------------ Rupees**	**------------**
Discount rate	1%	**(2,187,664)**	2,566,060
Salary growth rate	1%	**2,639,201**	(2,285,838)

19.10 Historical information for gratuity

	2014	2013	2012	2011	2010
	----------	----------	**Rupees**	----------	----------
Present value of defined benefit obligation	**24,734,185**	22,506,062	18,334,997	19,446,404	31,276,433
Experience adjustment arising on plan liabilities	**(2,286,548)**	(1,950,371)	1,131,946	1,791,990	(452,704)

	Note	2014 Rupees	2013 Rupees
20 Trade and other payables			
Creditors	*20.1*	**154,900,463**	137,624,129
Accrued liabilities		**188,559,174**	146,645,361
Advances from customers		**5,694,904**	1,131,475
Sales tax payable		**16,140,904**	11,727,293
Withholding tax payable		**30,589,477**	24,787,147
		395,884,922	321,915,405

20.1 Creditors include following balances in respect of related parties:

	2014	2013
Pace Barka Properties Limited	**-**	7,660,400
First Capital Investment Limited	**652,630**	1,277,630
Pace (Pakistan) Limited	**20,305,120**	27,909,400
Worldcall Telecom Limited	**5,921,818**	4,556,758
World Press (Private) Limited	**14,156,997**	8,193,360
	41,036,565	49,597,548

	Note	2014 Rupees	2013 Rupees
21 Mark-up accrued			
Long term financing	*18.1*	**29,193,646**	15,039,656
Short term borrowings	*22.1*	**19,215,662**	19,215,662
		48,409,308	34,255,318

22 Short term borrowings

	Note	2014 Rupees	2013 Rupees
Secured			
Banking companies and other financial institutions:			
Running finance	*22.1*	**50,000,000**	50,000,000
Modaraba finance	*22.2*	**381,820**	981,820
Liabilities against assets subject to finance lease	*22.3*	**12,589,270**	9,116,342
Unsecured			
Loan from Chief Executive	*22.4*	**500,000**	-
		63,471,090	60,098,162

22.1 This facility has been obtained from Faysal Bank Limited under mark-up arrangements amounting to Rs. 50 million (2013: Rs. 50 million) for working capital requirement and is secured by demand promissory note and exclusive charge on present and future fixed and current assets of the Company amounting to Rs. 50 million and Rs. 80 million respectively.

Mark-up on this facility is payable quarterly at 3 month KIBOR plus 3.5% per annum. In case commitments under finance agreements are not met on their respective dates, the bank will charge liquidated damages at the rate of 5% per annum (maximum) over and above the mark-up rates applicable to the Company from the date of default.

Faysal Bank Limited filed a suit against the Company for recovery of Rs. 69.30 million being the principal and penalty for late payment, due to default made by the Company in its repayments. The Company has made provision in this regard.

22.2 The Company obtained a modaraba finance facility from First National Bank Modaraba on 27 December 2007, for a period of 3 years for an amount of Rs. 30 million against security of various equipment, stores and spares, furniture and fixture, plant and machinery and vehicles. A mortgage charge of Rs. 40.00 million has been registered in this regard on all present and future current and fixed assets (where ever situated) of the television channels owned and operated by the Company. Mark-up is charged at the rate of 16.11% per annum based on Timely Payment Profit Rate (TPPR) on half yearly basis.

22.3 The Company defaulted in repayment of lease liability after rescheduling of the facility from a bank. As per revised terms the facility was payable by 30 June 2013. Interest is charged at the rate of 18.75% (2013: 18.75%) per annum. The detail of outstanding balance is as follows:

	2014 Rupees	2013 Rupees
Principle overdue	**6,438,000**	6,438,000
Additional lease rental over due	**5,301,726**	1,803,532
Interest overdue	**849,544**	874,810
	12,589,270	9,116,342

Under the terms of the agreements, the Company has an option to acquire the assets at the end of the respective lease term and the Company intends to exercise the option. In case of default in payment of installments the Company is also liable to pay additional lease rental on overdue payments at the rate of 0.1% per day.

22.4 This represents interest free loan received from Chief Executive Officer of the Company and is payable on demand.

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, the learned Appellate Tribunal also set aside the appeal for denovo proceeding. No fresh proceeding has yet started by Taxation Officer. The management in consultation with the legal counsel believes that there will be no financial impact.

23.2 During current year the Inland Revenue Officer passed an order under section 161/205 against the Company on account of default of withholding creating tax demand of Rs. 66.33 million for the Tax year 2010 and 2011. The Company being aggrieved by the order filed an appeal before Commissioner Inland Revenue Appeals-II, Lahore. The Commissioner Inland Revenue Appeals partially allowed relief to the Company by setting aside the order of the Inland Revenue Officer with the directions that the Inland Revenue Officer should pass a speaking order after considering the documentary evidence and affording reasonable opportunity of hearing to tax payer. No fresh proceeding have yet started by taxation officer. The management in consultation with the legal counsel believes that there will be no financial impact.

23.3 A civil suit for recovery of Rs. 3.89 million is pending before the Court of Mr. Sheikh Taseer-ur-Rehman, Civil Judge Lahore filed by a production house (I.B.Production) for producing drama serials to be broadcasted on Wikkid T.V channel of Media Times Limited (formerly Total Media Limited) under four separate agreements signed with Total Media Limited, wherein it has claimed balance payments of drama serials. The proceeding are fixed for filling of written statements and the financial exposure of the Company will be to the extent of payment claimed therein.

23.4 The previous land lord filed a suit against the Company for the recovery of unpaid rent amounting to Rs. 17.17 million, in Sindh High Court which is pending adjudication. The management after consultation with its legal counsel is confident that the case will be decided in favour of the Company.

23.5 A suit for defamation is pending before the Court of Mr. Abdul Qadir Additional District Judge Islamabad filed by an NGO against publication of an article "An unethical survey of FATA" dated 9

October 2010 by the Company in its newspaper "Daily Times" written by Farhat Taj, who is the defendant in the suit. The plaintiff NGO has requested the Court for tender of an apology by the defendants and publication of same with similar manner and prominence and to pay compensatory damage of Rs. 50 million. The case is pending adjudication and the management after consultation with its legal counsel is confident that the case will be decided in favour of the Company.

23.6 Two petitions are pending in Sindh High Court filed by Axact (Pvt) Limited against the Company and Sheharyar Taseer wherein they have claimed recovery for damages and Criminal Revision Application U/s 439 section 561-A Criminal Procedure Code 1898. The financial exposure of the Company will be to the extent of claim of Rs. 145 million. The management after consultation with its legal counsel is confident that the case will be decided in favour of the Company.

23.7 A petition is pending before the counsel of Raja Muhammad Ajmal Khan RFA No. 95/2010 Division Bench Lahore, High Court filed by Dr. Faiza Asghar Chairperson of the Child Protection and Welfare Bureau against the Daily AajKal and Najam Sethi editor in chief of Daily AajKal for the recovery of damages of Rs. 500 million under the Defamation Ordinance 2002. The case is pending adjudication and the management after consultation with its legal counsel is confident that the case will be decided in favour of the Company.

			2014 Rupees	2013 Rupees
23.8	**Commitments**			
	Commitments in respect of acquiring the programme rights.		**1,600,000**	-
24	**Turnover - net**			
	Gross turnover			
	Advertisement		**302,250,304**	327,649,065
	Newspaper		**51,613,201**	33,483,655
	Production and other services		**19,622,191**	28,739,829
			373,485,696	389,872,549
	Less:			
	Sales tax		**7,754,558**	14,457,554
	Discount and commission		**55,681,694**	69,486,920
			63,436,252	83,944,474
			310,049,444	305,928,075
25	**Cost of production**			
	Salaries, wages and benefits	*25.1*	**71,224,340**	66,178,415
	News print paper		**50,874,465**	46,299,694
	Stores and spares consumed		**25,294,912**	22,403,307
	Printing charges		**38,519,846**	27,009,787
	Programming and content cost	*25.2*	**21,023,960**	25,224,413
	Transmission and up-linking cost	*25.3*	**36,687,365**	34,650,400
	Insurance		**1,464,693**	626,826
	News agencies' charges		**4,149,837**	3,969,833
	Repair and maintenance		**1,425,090**	1,146,693
	Utilities		**19,775,469**	12,524,368
	Freight and carriage		**3,235,813**	2,977,541

	Note	2014 Rupees	2013 Rupees
Depreciation	*7.1*	**98,699,769**	99,559,335
Amortization of intangible assets	*8*	**266,800**	266,800
Others		**1,663,436**	1,727,271
		374,305,795	344,564,683

25.1 Salaries, wages and benefits include Rs. 4.3 million (2013: Rs. 4.4 million) in respect of gratuity expense for the year.

25.2 This represents cost of set, hosts fee, DVD backup cost, makeup cost, studio rent, salary and other benefits of programming staff.

25.3 This represents annual fee of Pakistan Electronic Media Regulatory Authority (PEMRA), service charges of Pak Sat and Netset amounting to Rs. 6.38 million (2013: Rs.1.70 million), Rs. 27.85 million (2013: Rs. 26.33 million) and Rs. 1.40 million (2013: Rs. 1.09 million) respectively.

26 Administrative expenses

	Note	2014 Rupees	2013 Rupees
Salaries, wages and benefits	*26.1*	**46,551,526**	42,010,151
Rent, rates and taxes		**13,857,126**	15,469,061
Communications		**5,075,926**	6,418,981
Programme cost written down	*11*	**1,950,000**	-
Vehicle running and maintenance		**9,581,769**	10,716,182
Marketing, selling and distribution		**10,189,594**	9,638,663
Legal and professional		**1,991,586**	1,952,428
Insurance		**2,063,281**	519,245
Utilities		**3,707,186**	7,342,145
Printing and stationary		**1,274,089**	1,248,177
Entertainment		**4,574,614**	3,851,640
Travel and conveyance		**3,324,542**	2,697,352
Repairs and maintenance		**3,180,187**	3,029,150
Debts written off	*26.2*	**1,314,295**	-
Provision for doubtful trade debts	*12.3*	**40,339,537**	8,094,300
Fee and subscriptions		**777,034**	3,497,473
Postage and courier		**365,166**	375,002
Newspapers and periodicals		**594,383**	412,756
Auditor's remuneration	*26.3*	**1,095,000**	922,500
Depreciation	*7.1*	**10,747,695**	13,023,141
Others		**5,428,564**	9,968,554
		167,983,100	141,186,901

26.1 Salaries, wages and other benefits include Rs. 2.1 million (2013: Rs. 2.2 million) in respect of gratuity expense for the year.

26.2 This represents debts written off against other receivables and advances amounting to Rs. 0.16 million (2013: Nil) and Rs.1.16 million (2013 : Nil) respectively.

		Note	2014 Rupees	2013 Rupees
26.3	**Auditor's remuneration**			
	Statutory audit fee		**550,000**	400,000
	Half yearly review fee		**175,000**	175,000
	Other assurances and certifications		**270,000**	270,000
	Out of pocket expenses		**100,000**	77,500
			1,095,000	922,500

27 Other expenses

	Note	2014 Rupees	2013 Rupees
Impairment of goodwill		**149,729,808**	-
Loss on disposal of property, plant and equipment		**1,697,458**	-
		151,427,266	-

28 Finance costs

	Note	2014 Rupees	2013 Rupees
Mark-up on loan from associated companies	*18.1*	**14,153,990**	14,257,790
Mark-up on short term finances		**-**	6,643,987
Additional lease rental on overdue lease liability	*22.3*	**3,472,928**	-
Bank charges and commission		**188,079**	120,119
		17,814,997	21,021,896

29 Other income

	Note	2014 Rupees	2013 Rupees
Income from financial assets			
Profit on deposits with banks		**19,984**	21,327
Income from non-financial assets			
Gain on disposal of property, plant and equipment		**-**	776,696
Scrap sales		**7,140,331**	5,554,747
Rental income		**4,828,904**	3,451,613
Creditors written back		**-**	1,497,875
Miscellaneous income		**975,314**	2,129,416
		12,964,533	13,431,674

30 Taxation

	Note	2014 Rupees	2013 Rupees
Current	*30.1 & 30.2*	**5,299,138**	1,557,414
Deferred		**171,415,394**	-
		176,714,532	1,557,414

30.1 In view of available unused tax losses provisions made represents minimum tax under section 113 of Income Tax Ordinance, 2001.

30.2 Since the Company is liable to pay minimum tax, therefore, no numerical tax reconciliation is produced.

31 Earnings per share - basic and diluted

		2014	2013
Loss attributable to ordinary share holders	*Rupees*	**(565,231,713)**	(188,971,145)
Weighted average number of ordinary shares	*Number*	**178,851,010**	178,851,010
Basic and diluted loss per share	*Rupees*	**(3.16)**	(1.06)

There is no dilution effect on the basic EPS as the Company has no such commitments.

32 Cash used in operations

	2014 Rupees	2013 Rupees
Loss before taxation	**(388,517,181)**	(187,413,731)
Adjustment for non-cash charges and other items:		
Depreciation	**109,447,463**	112,582,475
Impairment of goodwill	**149,729,808**	-
Amortization of intangibles	**266,800**	266,800
Provision for doubtful receivables - net	**40,339,537**	8,094,300
Bad debts written off	**1,314,295**	-
Loss / (gain) on disposal of property, plant and equipment	**1,697,458**	(776,696)
Retirement benefits	**6,413,025**	6,559,808
Finance cost	**17,814,997**	21,021,896
Loss before working capital changes	**(61,493,798)**	(39,665,148)
Effect on cash flow due to working capital changes:		
Stores and spares	**1,737,392**	2,089,124
Television program cost	**(540,000)**	-
Trade debts	**(25,611,511)**	(31,279,014)
Loans and advances	**1,420,040**	(550,970)
Short term prepayments	**(180,204)**	473,478
Other receivables	**(9,366,433)**	(9,549,026)
Trade and other payables	**73,969,517**	52,888,959
	41,428,801	14,072,551
Net cash used in operation	**(20,064,997)**	(25,592,597)

33 Transactions with related parties

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

Name of parties	Nature of relationship	Nature and description of related party transaction	2014 Value of transactions made during the year	2014 Closing balance	2013 Value of transactions made during the year	2013 Closing balance
		Rupees				
First Capital Securities Corporation Limited	Associate	Sale of goods / services	**26,000**	**-**	13,000	-
		Repayment of loan	**-**	**-**	4,608,922	-
		Interest on loan	**-**	**-**	457,410	-
		Receivable against advertisement	**-**	**137,801**	-	111,801
Pace Pakistan Limited	Associate	Sale of goods / services	**11,412,500**	**-**	1,438,600	-
		Building rent	**-**	**-**	7,986,000	-
		Payable against purchase of goods and services	**-**	**20,305,120**	-	27,909,400
Pace Baraka Properties Limited	Associate	Building rent	**3,811,500**	**-**	3,465,000	-
		Sale of goods / services	**31,666,471**	**-**	18,797,496	-
		Receivable against advertisement	**-**	**-**	-	4,497,128
		Payable	**-**	**-**	-	7,660,400
First Capital Investments Limited	Associate	Sale of goods / services	**631,500**	**-**	123,500	-
		Payable	**-**	**652,630**	-	1,277,630
Worldcall Telecom Limited	Associate	Sale of goods / services	**8,137,400**	**-**	8,756,862	-
		Rent charged	**2,328,904**	**-**	2,099,256	-
		Purchase of goods / services	**-**	**-**	1,188,060	-
		Receivable against advertisement	**-**	**16,399,768**		8,262,368
		Payable against internet	**-**	**5,921,818**		4,556,758
World Press (Private) Limited	Associate	Printing of Sunday magazine	**30,960,505**	-	19,275,294	-
		Payable against purchase of goods and services	**-**	**14,156,997**	-	8,193,360
First Capital Mutual Fund	Associate	Sale of goods / services	**26,000**	**-**	110,500	-
		Receivable against advertisement	**-**	**104,000**	-	78,000
First Capital Equities Limited	Associate	Sale of goods / services	**59,800**	**-**	13,000	-
		Receivable against advertisement	**-**	**428,480**	-	368,680
Pace Super Mall	Associate	Receivable against advertisement	**-**	**500**	-	500

34 Remuneration of Chief Executive, Director and Executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive, full time working directors and executives of the Company is as follows:

	Chief Executive / Executive directors		Directors		Executives	
	2014	2013	**2014**	2013	**2014**	2013
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Managerial remuneration	**6,000,300**	-	**3,100,155**	-	**19,399,637**	18,255,621
Housing allowance	**2,400,300**	-	**1,240,155**	-	**7,760,437**	7,302,814
Utilities	**599,400**	-	**309,690**	-	**1,937,927**	1,823,604
Provision for gratuity	**-**	-	**500,000**	-	**2,194,650**	2,172,350
Reimbursable expenses	**-**	-	**-**	-	**4,510,800**	3,313,800
	9,000,000	-	**5,150,000**	-	**35,803,451**	32,868,189
Number of executives	**1**	1	**2**	-	**35**	29
Number of non executives directors	**-**	-	**4**	6	**-**	-

The Company has also provided executives with company maintained cars. No fees were paid to any director for attending board and audit committee meetings. No remuneration is being paid to any non-executive directors.

Executives are employees whose basic salary exceeds five hundred thousand rupees in a financial year.

35 Segment reporting

35.1 Reportable segments

The Company's reportable segments are as follows:

Reportable segments	Operation
Print media	It comprises of "Daily Times" and "AajKal" being the Daily English and Urdu newspapers respectively printed from Lahore, Karachi and Islamabad.
Electronic media	It comprises of "Business Plus" business news channel with cable penetration over metro cities and "Zaiqa" 24 hours dedicated food and culture channel of Pakistan.

The management reviews internal management reports of each division.

35.2 Information regarding the Company's reportable segments is presented below

Information related to each reportable segment is set out below. Segment's operating profit or loss as included in internal management reports reviewed by the Company's top management is used to measure performance because management believes that such information is the most relevant in evaluating the result of the respective segments.

	Print media	Electronic media	Total
	------	Rupees	------
For the year ended 30 June 2014			
Revenue -net	223,827,940	86,221,504	310,049,444
Cost of production	(252,882,484)	(121,423,311)	(374,305,795)
Gross loss	(29,054,544)	(35,201,807)	(64,256,351)
Administrative expenses	(100,685,144)	(67,297,956)	(167,983,100)
Other expense	(1,697,458)	(149,729,808)	(151,427,266)
	(131,437,146)	(252,229,571)	(383,666,717)
Finance cost			(17,814,997)
Other income			12,964,533
Loss before taxation			(388,517,181)
Taxation			(176,714,532)
Loss after taxation			(565,231,713)

	Print media	Electronic media	Total
	------ Rupees ------		
For the year ended 30 June 2013			
Revenue -net	226,373,422	79,554,653	305,928,075
Cost of production	(226,524,583)	(118,040,100)	(344,564,683)
Gross loss	(151,161)	(38,485,447)	(38,636,608)
Administrative expenses	(95,011,550)	(46,175,351)	(141,186,901)
	(95,162,711)	(84,660,798)	(179,823,509)
Finance cost			(21,021,896)
Other income			13,431,674
Loss before taxation			(187,413,731)
Taxation			(1,557,414)
Loss after taxation			(188,971,145)

35.2.1 The revenue reported above represents revenue generated from external customers. There were no inter segment revenues during the year. All the segment operating activities, revenue, customers and segment assets are located in Pakistan.

35.2.2 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 24 to these financial statements.

35.2.3 Revenue from major customers

Revenue from a major customer of Print media segment amounts to Rs. 24.03 million out of total print media segment revenue.

Revenue from a major customer of Electronic media segment represents an aggregate amount of Rs. 34.47 million out of total Electronic media segment revenue.

35.3 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 5.

35.4 All non-current assets of the Company at 30 June 2014 are located and operating in Pakistan.

35.5 Segment assets and liabilities

Reportable segment's assets and liabilities are reconciled to total assets and liabilities as follows:

	Print media	Electronic media	Total
	------	Rupees ------	------
As at 30 June 2014			
Segment assets for reportable segments	**574,074,031**	**334,946,722**	**909,020,753**
Unallocated corporate assets			**-**
Total assets as per balance sheet			**909,020,753**
Segment liabilities	**271,097,359**	**195,528,619**	**466,625,978**
Unallocated segment liabilities			**248,918,065**
Total liabilities as per balance sheet			**715,544,043**
As at 30 June 2013			
Segment assets for reportable segments	616,523,715	565,642,760	1,182,166,475
Unallocated corporate assets			170,615,102
Total assets as per balance sheet			1,352,781,577
Segment liabilities	232,506,739	151,743,149	384,249,888
Unallocated corporate liabilities			208,337,009
Total assets as per balance sheet			592,586,897

35.6 For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than taxation assets; and
- all liabilities are allocated to reportable segments other than those directly relating to corporate and taxation.

Borrowings and related mark-up payable thereon are not allocated to reporting segments as these are managed by the Company.

35.7 Other segment information

	Print media	Electronic media	Total
	------	Rupees ------	------
For the year ended 30 June 2014			
Capital expenditure	**68,750**	**1,567,877**	**1,636,627**
Depreciation, amortization and impairment	**50,223,002**	**209,221,069**	**259,444,071**
Non-cash items other than depreciation, amortization and impairment	**53,294,521**	**25,206,799**	**78,501,320**
For the year ended 30 June 2013			
Capital expenditure	256,299	1,000,456	1,256,755
Depreciation and amortization	52,867,676	59,981,599	112,849,275
Non-cash items other than depreciation and amortization	31,073,425	6,325,883	37,399,308

36 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 Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

36.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

36.2 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.

36.2.1 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:

	Note	2014 Rupees	2013 Rupees
Long term deposits	*9*	**11,226,627**	10,862,627
Trade debts	*12*	**114,086,938**	128,814,964
Loans and advances	*13*	**5,535,196**	8,269,531
Other receivables	*14*	**24,675,431**	15,308,998
Bank balances	*15*	**955,721**	1,669,428
		156,479,913	164,925,548

	Note	2014 Rupees	2013 Rupees
Secured:			
Trade debts	*12*	**8,032,846**	7,763,835
Loan and advances	*13*	**5,009,971**	7,085,010
		13,042,817	14,848,845
Unsecured		**143,437,096**	150,076,703
		156,479,913	164,925,548

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

	Note	2014 Rupees	2013 Rupees
Domestic:			
- Balances with banks	*15*	**955,721**	1,669,428

Banks	Rating		Rating agency	2014	2013
	Short term	Long term		Rupees	Rupees
Faysal Bank Limited	A 1 +	AA	PACRA	**55,055**	166,668
Standard Chartered Bank (Pakistan) Limited	A 1 +	AAA	PACRA	**-**	683,569
Habib Metropolitan Bank Limited	A 1 +	AA+	PACRA	**474,676**	205,376
Bank Alfalah Limited	A 1 +	AA	PACRA	**141,478**	14,318
Allied Bank Limited	A 1 +	AA+	PACRA	**273,963**	588,949
NIB Bank Limited	A 1 +	AA+	PACRA	**10,549**	10,548
				955,721	1,669,428

36.2.3 Trade debts

The trade debts as at the balance sheet date are classified in Pak Rupees. The aging of trade receivables at the reporting date is:

	2014 Rupees	2013 Rupees
Neither past due nor impaired (1-90 days)	**66,322,584**	63218421
Past due (91 - 120 days)	**16,745,357**	9,287,412
Past due more than 121 days	**149,754,759**	134,249,801
	166,500,116	143,537,213
Provision for doubtful debts	**(118,711,682)**	(79,072,145)
	114,111,018	127,683,489

The recommended approach for provision is to assess the trade receivables on an individual basis and apply, dynamic approach to the remainder of receivables. The procedure introduces a company-standard for dynamic provisioning to provide impairment loss for the outstanding receivable when overdue more than a year.

Ageing of trade receivables from related parties is as follows:

	2014				
	Neither past due nor impaired (1 to 90 days)	**Past due (91 - 120 days)**	**Past due more than 121 days**	**Impaired**	**Total**
	------Rupees------				
Worldcall Telecom Limited	**2,319,998**	**1,160,000**	**13,287,270**	**-**	**16,767,268**
First Capital Securities Corporation Limited	**-**	**26,000**	**111,801**	-	**137,801**
First Capital Equities Limited	**-**	**10,400**	**418,080**	-	**428,480**
First Capital Mutual Fund	**-**	**26,000**	**78,000**	-	**104,000**
First Capital Investments Limited	**6,500**	-	**-**	-	**6,500**
Pace Super Mall	**-**	**-**	**500**	-	**500**
	2,326,498	**1,222,400**	**13,895,651**	**-**	**17,444,549**

	2013				
	Neither past due nor impaired (1 to 90 days)	Past due (91 - 120 days)	Past due more than 121 days	Impaired	Total
	------Rupees------				
Worldcall Telecom Limited	-	-	8,457,867	-	8,457,867
First Capital Securities Corporation Limited	-	13,000	98,801	-	111,801
First Capital Equities Limited	-	13,000	355,680	-	368,680
First Capital Mutual Fund	-	78,000	-	-	78,000
Pace Super Mall	-	-	500	-	500
Pace Barka Properties Limited	-	-	4,497,128	-	4,497,128
	-	104,000	13,409,976	-	13,513,976

36.2.4 Other financial assets

Long term deposits, loans and advances and other receivables are mostly due from related parties, employees and Government institutions. Based on past experience the management believes that no impairment allowance is necessary in respect of these financial assets. There are reasonable grounds to believe that these amounts will be recovered in short course of time.

36.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature, and are insufficient to meet the liquidity requirement.

The following are the contractual maturities of financial liabilities as on 30 June 2014 :

		Carrying amount	Contracted cashflow	Up to one year or less	More than two years
		---------- Rupees ----------			
Liabilities against assets subject to finance lease	22	**12,589,270**	**12,589,270**	**12,589,270**	**-**
Long term financing	18	**121,598,742**	**121,598,742**	**-**	**121,598,742**
Trade and other payables - unsecured	20	**395,884,922**	**395,884,922**	**395,884,922**	**-**
Short term borrowing - secured	22	**63,471,090**	**63,471,090**	**48,409,308**	**-**
Interest accrued	21	**48,409,308**	**48,409,308**	**63,471,090**	**-**
		641,953,332	**641,953,332**	**520,354,590**	**121,598,742**

The following are the contractual maturities of financial liabilities as on 30 June 2013 :

	Note	Carrying amount	Contracted cashflow	Up to one year or less	More than two years
		---------- **Rupees** ----------			
Liabilities against assets subject to finance lease	20	9,116,342	9,116,342	9,116,342	-
Long term financing	16	103,843,742	118,883,398	-	118,883,398
Trade and other payables - unsecured	18	321,915,405	321,915,405	321,915,405	-
Short term borrowing - secured	20	60,098,162	60,098,162	60,098,162	-
Interest accrued	19	34,255,318	34,255,318	34,255,318	-
		529,228,969	544,268,625	425,385,227	118,883,398

36.4 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.

Market risk comprises of three types of risks:

- currency risk.
- interest rate risk
- other price risk

36.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered in foreign currency. The company does not view hedging as being financially feasible owing to the excessive cost involved in relation to the amount at risk. The Company was not exposed to foreign currency's risk as there was no foreign currency held by the Company at year end.

36.4.2 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of Company's interest-bearing financial instruments were:

	Effective rate		Carrying amount	
	2014	2013	**2014**	2013
	- - - - - - - (Percentage) - - - - - - -		**Rupees**	Rupees
Fixed rate instruments				
Financial assets:				
Balance with bank - deposit account	**6 to 7.5**	7.5 to 8.6	**118,819**	887,603
Financial liabilities				
Modaraba financing	**16.11**	16.11	**381,820**	981,820
Variable rate instruments				
Financial liabilities:				
Long term financing	**KIBOR+3**	15	**121,598,742**	103,843,742
Liabilities against assets subject to finance lease	**16.9 to 18.7**	16.9 to 18.7	**12,589,270**	9,116,342
Short term borrowings	**KIBOR+3.5**	KIBOR + 3.5	**50,000,000**	50,000,000

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 account. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A change of 100 basis points in interest rates at the reporting date would have increased / decreased for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bps Increase	**100 bps Decrease**
	- - - - - - - - - **Rupees** - - - - - - - - -	
As at 30 June 2014		
Cash flow sensitivity - Variable rate financial liabilities	**1,841,880**	**(1,841,880)**
As at 30 June 2013		
Cash flow sensitivity - Variable rate financial liabilities	1,069,527	(1,069,527)

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

36.4.3 Other 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.

36.4.4 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.

36.4.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards ; and
- risk mitigation, including insurance where this is effective

36.5 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

	2014 Rupees	**2013 Rupees**
37 Number of employees		
Average number of employees during the year	**384**	423
Total number of employees as at 30 June	**379**	421

38 Corresponding figures

Corresponding figures have been re-arranged or reclassified wherever necessary, for the purpose of comparison. However, no significant re-arrangement or reclassification have been made.

39 Date of authorization for issue

These financial statements were authorized for issue on 09 October 2014 by the Board of Directors.

40 General

Figures have been rounded off to the nearest of rupee.

Lahore: **Chief Executive** **Director**
09 October 2014

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 2014 at 03:00 p.m. and at any adjournment thereof.

Signature this ___________________ Day of _________________ 2014.

(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.