VISION

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

MISSION

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

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

COMPANY INFORMATION

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting of the Shareholders of Media Times Limited ("the Company") will be held on 31 October 2009 at 4:00 p.m. at head office of the Company located at 103-C/II, Gulberg-III, Lahore, to transact the following business:

1. To confirm the minutes of Annual General Meeting held on 30 October 2008;

2. To receive, consider and adopt the financial statements of the Company for the year ended 30 June 2009 together with the Directors' and Auditors' reports thereon;

3. To appoint Auditors for the year ending 30 June 2010 and fix their remuneration;

4. To consider and if deemed fit, pass the following "Ordinary Resolutions" with or with out modification regarding the placement of Company's quarterly accounts on the website:

   "**RESOLVED THAT** consequent upon listing of the shares of the Company on the stock exchanges, quarterly accounts of the Company are placed on the Company's web site i.e. http:// www.dailytimes.com.pk instead of circulating the same by post to the shareholders, subject to any necessary approvals where required."

   "**RESOLVED FURTHER THAT** the Chief Executive or the Company Secretary of the Company be and are hereby authorized to complete the necessary corporate formalities in connection with the above."

By order of the Board

Lahore:
08 October 2009

Nadeem Maqsood
Company Secretary

Notes:

1) The Members Register will remain closed from 24 October 2009 to 31 October 2009 (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 2009 will be considered in time for the purpose of Annual General Meeting.

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

3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the registered office of the company, 41-N, Industrial Area, Gulberg-II, Lahore, not less than 48 hours before the time of the meeting.

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

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

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

Placement of Company's quarterly accounts on the Company's website

The Shareholders of the Company in their meeting held on 11 September 2008 approved the placement of quarterly accounts of the Company on the Company's website www.dailytimes.com.pk,. However, the Board of Directors in view of good corporate governance felt that as approval from shareholders was obtained before the Company was listed. Therefore, once again approval from all the shareholders be obtained i.e. post IPO shareholders including general public. It may be noted that the quarterly financial statements for the period ended 31 March 2009 were placed on the Company's website www.dailytimes.com.pk for information of all the shareholders of the Company and the same were also circulated to the respective shareholders by post.

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 2009.

Economic Scenario

The country is passing through some very turbulent times. The global recession has a major impact on Pakistan's economy. In addition to terrorism threats and power shortages have been other major challenges. Therefore economic growth has remained muted in the current year. These are hard times being faced by world economies. Advertising budgets tend to be one of the first things to cut when times get difficult, though it often costs firms more in the long run to recover the resulting lost ground. In spite of these unstable times, we believe that systematic and timely management resulting in maximum utilization of resources can play a pivotal role in survival of any organization and to our advantage we have a team of highly qualified individuals along with a bouquet of newspapers and TV channels which will help us in excelling in the future.

Financial Overview

The Company posted net revenues of Rs. 504 million and a net loss of Rs. 2.6 million during the year. The Company has recorded 10% increase in the consolidated revenues over last year but GP margins showed a decrease of 15% owing to the cost side which remained on higher side due to recession and inflation including content & newspaper raw material prices. Timely measures have been taken to curtail operating cost by decreasing HR cost and other operational expenses; consolidating resources and maximizing economies of scales. The Company has invested Rs. 325 million in capital expenditure during the current financial year for expansion and up-gradation in the electronic media and print media segment which include production, broadcasting, uplinking equipment, newspaper production lines in the existing operations and its upcoming entertainment channel, which is planned to be launched in the financial year 2009-10. The Company has performed well despite tough competition and has successfully improved its position in the media market. Comparative figures appearing in the financials include six month results after merger.

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:

	2009	2008
	(Rupees in million)	
Profit and Loss Account		
Revenue	504	461
Gross Profit	180	231
(Loss)/Profit after Taxation	(2.6)	110
EPS - Basic & diluted (Rupees)	(0.02)	1.40
Balance Sheet		
Non Current Assets	1,674	1,537
Net Current Assets	174	93
Non Current Liabilities	409	504
Share Capital and Reserves	1,439	1,126

Given the volatile state of the world economy, we are focusing on reducing our cost base while maintaining the quality we provide and making progress towards our long term goals. Cost management has become part of our corporate culture and with the economy still in the slowdown, controlling costs will remain a priority for the Company in the upcoming years.

Sales tax department had made an allegation on the Company for not paying sales tax on outdated Newspaper and scrap sale. The case was referred before the adjudication department which was decided by the Deputy Collector (Adjudication) Sales Tax & Federal Excise in favor of the Company. Sales tax department filed an appeal before Collector of Sales Tax (Appeals) which later decided in favor of Sales tax department. Now the case is pending at Customs, Sales Tax and Federal Excise Appellate Tribunal, Lahore level on appeal filed by the Company and the management is confident that the case will be decided in favor of the Company.

After the merger of Total Media Limited ("TML") with the Company, effective from 01 January 2008; the Company has successfully completed its Initial Public Offer in the financial year under review and has further consolidated its position in the media industry. The IPO has helped MTL in expanding the distribution network of its channels and circulation of its newspapers. Further, funds received from IPO are being used for the set up of new entertainment channel. MTL is now listed on Karachi and Lahore stock exchanges.

Operational Overview

The Company operates the following segments:

Print Media
(a) Leading English Daily newspaper "**Daily Times**"
(b) Urdu daily newspaper "**Daily Aaj Kal**"

Electronic Media
(c) Business satellite channel "**Business Plus**"
(d) Kids satellite channel "**Wikkid Plus**"

Print Media

Daily Times is a renowned English daily newspaper catering to needs of the whole family. It is nationwide English daily printed from Lahore, Karachi and Islamabad. It is considered to be amongst the leading English newspapers in the country in terms of circulation and enjoys a high level of respect & credibility. The reasons for the newspaper's growth and popularity include professional editorial team, attractive layout, detailed coverage of national and international news, lively entertainment section and devoted teams of operations, circulation, sales & marketing people. 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.

After the success of Daily Times, MTL launched Urdu daily "Aaj Kal" from Lahore, Karachi and Islamabad. Following its launch, sales & circulation has seen a great response from readers resulting a new source of direct revenue for the Company.

Electronic Media

Business Plus is Pakistan's premier business channel that provides business information 24-hrs a day with live share prices & volumes from stock exchanges of the country with more than 14 hours of fresh and live daily programming. The channel has recently been honored with the Brand of the Year 2008 in the category of "Business News" and has taken steps to expand viewer base and build upon existing marketing potential of the project. The Company increased investment in technical infrastructure development & content which resulted in better transmission quality. Infotainment content has been added in non-business hours, research cell has been expanded to cover stock & commodity markets as well as increased focus on improving news content. Special transmissions and electronic supplements have been introduced to open up new avenues for advertisement. The channel can be seen all over Pakistan, Middle East, Southern Europe and Africa as well.

Wikkid Plus has received positive response & appreciation not only from children and household viewers but also advertising agencies and companies. Wikkid Plus aims to enrich children & families, with primary focus on kids, through valuable entertainment and quality programming. All the programs have been designed and chosen with this specific purpose in mind so that they are not only enjoyable and engaging for the kids, but also informative. To capture a bigger market and mainly due to consolidation of existing resources Wikkid Plus has been transferred to Karachi to avail existing infrastructure of Business Plus and to maximize the economies of scale.

Future Outlook

The Company is in process of acquiring license from PEMRA for uplinking of an entertainment cum infotainment channel, which will cater to members of both genders and all age groups; its launch is expected in the current financial year. To grab more eye balls we are further strengthening news and current affairs segment on Business Plus. For print media we are opening new bureau offices in different cities across the country.

The planned addition of an entertainment channel to the Company's media bouquet will substantially enhance its TV offering and grab viewers interest / appeal, resultantly translating into increased revenues & profits. The new channel is envisaged to be focused on interactive infotainment, entertainment, life style content with a program line-up including dramas, soaps, sitcoms, lifestyle programs, talk shows, food /cookery shows, reality shows, game shows, series and award shows amongst others.

The continued media friendly policies of the Government have resulted in high growth in Pakistan's media sector over the past few years. The competition amongst companies & brands in various business segments is the driving force behind the need to communicate with customers and hence advertise through various media. Since it is unlikely that this competition will ease any time soon, media / advertisement spend is expected to follow a rising trend. There will be ample room for quality newspapers & channels to get a share of this advertisement revenue. Media Times Limited is confident about the business prospects in this market and expects to be adequately positioned to meet the upcoming challenges given its experience of operating both print & electronic media businesses.

Change in the Board of Directors

During the financial year Ms. Sanam Taseer resigned from Board of Directors' of the Company and Mr. Shehryar Ali Taseer was appointed in her replacement.

Board meetings during the year

Four Meetings of Board of Directors were held during the period 01 July 2008 to 30 June 2009. Attendance by each Director is as under:-

Sr. No	Name of Director	Meetings attended
1.	Mr. Salmaan Taseer	02
2.	Mrs. Aamna Taseer	04
3.	Mr. Shehryar Ali Taseer	02
4.	Mr. Shahbaz Ali Taseer	04
5.	Mr. Ameet Rane	02
6.	Mr. Najam Aziz Sethi	03
7.	Ms. Maimanat Mohsin	02
8.	Ms. Sanam Taseer (Resigned)	02

The Directors who could not attend the meeting were duly granted leave by the Board.

Audit Committee

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee consisting of following Directors and is comprises of two non-executive directors (including its Chairman) and one executive director.

Mrs. Aamna Taseer	Chairperson of the committee and non-executive director
Mr. Shehryar Ali Taseer	Executive director
Mr. Shahbaz Ali Taseer	Non-executive director

During the year Shehryar Ali Taseer was appointed in place of Ms. Sanam Taseer.

The Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the listing regulations.

Code of Corporate Governance

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

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

Proper books of accounts have been maintained by the company.

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

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

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

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

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

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

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

Trading of Directors

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

Auditors

Statutory Auditors, Messrs Nasir Javaid Maqsood Imran., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of Messrs Nasir Javaid Maqsood Imran, Chartered Accountants as the auditors of the Company for the financial year ending 30 June 2010.

Pattern of Shareholding

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

Appropriations

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

Earnings per Share

Earnings per share for the financial year ended 30 June 2009 is Rs. (0.20) (2008: Rs. 1.40)

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
08 October 2009

Salmaan Taseer
Chairman & Chief Executive Officer

Annexure-1

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

	Opening balance as on 02-02-2009	Purchase	Bonus	Sale	Closing balance as on 30-06-2009
Directors					
Salmaan Taseer **(CEO)**	13,110,372	-	-	2,589,000	10,521,372
Aamna Taseer	1,000	-	-	-	1,000
Shahbaz Ali Taseer	600	-	-	-	600
Ms.Sanam Taseer (Resigned)	600	-	-	600	-
Najam Aziz Sethi	960,500	-	-	-	960,500
Maimanat Mohsin	560,500	-	-	-	560,500
A.N.Rane	800	-	-	-	800
Shehryar Ali Taseer	-	600	-	-	600
Spouses	-	-	-	-	-
Minor Children	-	-	-	-	-
Chief Financial Officer					
Suhail Ahmed	-	-	-	-	-
Company Secretary					
Nadeem Maqsood	-	-	-	-	-

KEY OPERATING AND FINANCIAL INDICATORS

KEY INDICATORS **Rupees**

		2004	2005	2006	2007	2008	2009
Operating result							
Net Revenue		83,760,553	147,569,322	194,373,535	269,964,655	460,534,464	**504,415,423**
Gross profit/ (loss)		(23,682,978)	16,244,780	45,458,391	106,247,888	231,282,203	**179,596,481**
Profit / (loss) from operation		(77,189,037)	(44,719,842)	(18,397,191)	38,263,773	97,793,018	**(7,501,300)**
Profit / (loss) before tax		(87,953,773)	(54,585,507)	(29,110,539)	35,337,979	133,355,529	**(23,758,875)**
Profit / (loss) after tax		(57,731,080)	(31,560,106)	(24,505,387)	27,776,167	109,682,935	**(2,578,657)**
Financial Position							
Shareholder's equity		116,087,090	155,726,983	149,921,596	348,093,913	1,125,579,140	**1,438,689,890**
Property, plant & equipment-operating		144,428,148	128,731,290	115,904,535	135,006,167	1,118,958,250	**1,133,914,950**
Net current assets		(53,734,235)	2,938,539	10,001,287	79,448,098	92,729,643	**173,546,031**
Profitability							
Gross profit/(loss)	%	(28.27)	11.01	23.39	39.36	50.22	**35.60**
Operating profit/(loss)	%	(92.15)	(30.30)	(9.46)	14.17	21.23	**(1.49)**
Profit before tax/(loss)	%	(105.01)	(36.99)	(14.98)	13.09	28.96	**(4.71)**
Profit after tax/(loss)	%	(68.92)	(21.39)	(12.61)	10.29	23.82	**(0.51)**
Performance							
Fixed assets turnover	Times	0.58	1.15	1.68	2.00	0.41	**0.44**
Return on equity	%	(49.73)	(20.27)	(16.35)	7.98	9.74	**(0.18)**
Return on capital employed	%	(62.41)	(23.81)	(19.29)	7.47	6.92	**(0.14)**
Liquidity							
Current	Times	0.46	1.04	1.12	1.68	1.22	1.49
Quick	Times	0.44	1.01	0.97	1.55	0.92	1.01
Valuation							
Earnings/(loss) per share	Rs.	(3.32)	(1.82)	(1.41)	1.59	1.40	**(0.02)**
Break up vale per share	Rs.	6.68	8.96	8.63	19.89	11.20	**10.73**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2009

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

No. of Shareholders	Shareholdings			Shares Held
	From		To	
552	1	-	500	276,000
9	501	-	1000	8,000
4	1001	-	5000	10,000
1	20001	-	25000	24,000
1	105001	-	110000	110,000
1	560001	-	565000	560,500
1	630001	-	635000	631,000
1	710001	-	715000	714,572
1	960001	-	965000	960,500
1	1780001	-	1785000	1,784,060
1	3620001	-	3625000	3,624,389
1	4195001	-	4200000	4,199,500
1	4995001	-	5000000	5,000,000
1	6320001	-	6325000	6,321,308
1	6995001	-	7000000	7,000,000
1	10520001	-	10525000	10,520,872
1	15200001	-	15205000	15,200,115
1	16090001	-	16095000	16,093,428
1	27820001	-	27825000	27,825,000
1	33275001	-	33280000	33,275,014
582				**134,138,258**

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2009

Categories of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	12,045,372	8.980
Associated Companies, undertakings and related parties.	35,648,889	26.576
NIT and ICP	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions	5,000,000	3.727
Insurance	-	-
Modarabas and Mutual Funds	-	-
Share holders holding 10% or more	96,307,446	71.797
General Public		
a) Local	2,632,132	1.962
b) Foreign	-	-
Others:		
- Joint Stock Companies	44,905,851	33.477
- Foreign Companies	33,906,014	25.277

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

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT 30 JUNE 2009

Shareholders' Category	Number of Shares held
Associated Companies, undertaking and related parties	
First Capital Securities Corporation Limited	31,449,389
Worldcall Telecom Limited	4,199,500
Directors, CEO and their Spouse and Minor Children	
Salmaan Taseer	10,521,372
Aamna Taseer	1,000
Shahbaz Ali Taseer	600
Shehryar Ali Taseer	600
Mr. Najam Aziz Setthi	960,500
Mrs. Maimanat Mohsin	560,500
Mr. A.N. Rane	800
Public Sector Companies and Corporations	45,331,123
Banks Development Financial Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Fund etc.	5,000,000
Shareholders holding 10% or more voting interest in the Company	
First Capital Securities Corporation Limited	31,449,389
Balyasny SI Limited	33,275,014
WTL Services (Private) Limited	15,489,615
First Capital Equities Limited	16,093,428

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2009

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

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

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

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

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

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

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

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

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

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

9) The Board arranged orientation courses for its directors during the year to apprise them of their duties and responsibilities.

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

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

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

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

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

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

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

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

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

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

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

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

For and on behalf of the Board

Lahore
08 October 2009

Chairman & Chief Executive Officer

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

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance effective for the year ended June 30, 2009.

LAHORE
08 October 2009

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Media Times Limited ("the Company")** as at **June 30, 2009** and the related profit and loss account, 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 purpose of our audit.

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material 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 the 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;

   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, 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 June 30, 2009; and of the loss, its cash flows and changes in equity for the year then ended; and

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

LAHORE
08 October 2009

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	3	**1,331,857,329**	1,153,635,259
Intangible assets	4	**153,778,370**	153,707,575
Investment property	5	**-**	83,143,000
Long term deposits	6	**25,105,886**	27,270,351
Television program costs	8	**97,295,019**	74,933,482
Deferred tax asset	19	**65,812,038**	43,896,827
		1,673,848,642	1,536,586,494
CURRENT ASSETS			
Inventories	7	**95,356,362**	73,624,881
Current portion of television program costs	8	**74,987,669**	51,886,354
Trade debts	9	**189,215,583**	216,185,413
Loans and advances	10	**34,856,551**	15,714,375
Deposits & prepayments	11	**19,776,860**	14,780,944
Other receivables	12	**31,148,898**	26,362,545
Short term investments	13	**75,000,000**	72,629,150
Cash and bank balances	14	**9,177,999**	41,338,308
		529,519,922	512,521,970
CURRENT LIABILITIES			
Current maturities of long term liabilities	15	**196,803,156**	212,426,169
Short term borrowings	16	**77,607,298**	81,771,000
Trade and other payables	17	**74,480,842**	91,576,672
Interest and mark-up accrued	18	**7,082,595**	34,018,486
		355,973,891	419,792,327
NET CURRENT ASSETS		**173,546,031**	92,729,643
NON CURRENT LIABILITIES			
Long term finances - secured	20	**340,316,051**	399,507,122
Retirement benefits	21	**36,543,504**	29,488,365
Liabilities against assets subject to finance lease	22	**31,845,228**	74,741,510
		408,704,783	503,736,997
Contingencies and commitments	23	**-**	-
		1,438,689,890	1,125,579,140
Represented By:			
Share Capital and Reserves			
Authorized capital 140,000,000 (June 2008: 101,000,000) ordinary shares of Rs. 10 each.		**1,400,000,000**	1,010,000,000
Issued, subscribed and paid up capital	24	**1,341,382,580**	1,004,782,580
Share premium	25	**76,223,440**	97,134,032
Unappropriated profit		**21,083,870**	23,662,528
Total Equity		**1,438,689,890**	1,125,579,140
		1,438,689,890	1,125,579,140

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore: **Chairman & Chief Executive Officer** **Director**
08 October 2009

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
Revenue -Net	*26*	**504,415,423**	460,534,464
Direct costs	*27*	**(324,818,942)**	(229,252,261)
Gross profit		**179,596,481**	231,282,203
Operating costs	*28*	**(187,097,781)**	(133,489,185)
Operating (loss)/profit		**(7,501,300)**	97,793,018
Finance costs	*29*	**(38,145,224)**	(19,719,849)
		(45,646,524)	78,073,169
Gain on sale of short term investment		**4,824,600**	32,424,150
Change in fair value of investment property		**-**	18,021,217
Other operating income	*30*	**17,063,049**	4,836,993
(Loss)/Profit before taxation		**(23,758,875)**	133,355,529
Taxation	*31*	**21,180,218**	(23,672,594)
(Loss)/Profit after taxation		**(2,578,657)**	109,682,935
Earnings per share - basic and diluted	*32*	**(0.02)**	1.40

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore:	**Chairman & Chief Executive Officer**	**Director**
08 October 2009		

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
Cash flows from operating activities			
Cash generated from operations	*34*	**44,944,319**	92,420,439
Decrease/(Increase) in long term deposits		**2,164,465**	(8,665,614)
Television programs costs		**(23,101,315)**	(33,917,551)
Retirement benefits paid		**(8,577,142)**	(1,421,856)
Finance cost paid		**(65,081,115)**	(10,598,736)
Taxes paid		**(3,405,511)**	(5,760,298)
Net cash used in operating activities		**(53,056,298)**	32,056,385
Cash flow from investing activities			
Fixed capital expenditure		**(324,677,479)**	(644,003,815)
Intangible assets acquired		**(422,000)**	(4,000,000)
Sale proceeds of property, plant and equipment		**148,671,977**	2,879,590
Short term investments-Net		**2,453,751**	(40,205,000)
Net cash used in investing activities		**(173,973,751)**	(685,329,225)
Cash flow from financing activities			
Receipts against share issued		**336,600,000**	-
Shares issuance cost-net		**(20,910,592)**	-
Share deposit money received		**-**	140,871,660
Long term finances-Net		**(78,350,622)**	425,700,044
Short term borrowings		**(4,163,702)**	61,771,000
Finance lease liabilities-Net		**(38,305,343)**	55,810,547
Net cash generated from financing activities		**194,869,741**	684,153,251
Net (decrease)/increase in cash and cash equivalents		**(32,160,309)**	30,880,410
Cash and cash equivalents at the beginning of the year		**41,338,308**	4,096,604
Cash and cash equivalents of merged entity		**-**	6,361,293
Cash and cash equivalents at the end of the year		**9,177,999**	41,338,308

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore: **Chairman & Chief Executive Officer** **Director**
08 October 2009

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Share capital	Capital reserves		Revenue reserve	Total
		Share premium	Share deposit money	Unappropriated profit/(loss)	
	(Rupees)				
Balance as at 01 July 2007	175,018,170	-	259,096,150	(86,020,407)	348,093,913
Advance for issue of shares	-	-	140,871,660	-	140,871,660
Shares issued	399,967,810	-	(399,967,810)	-	-
Shares issued to shareholders of TML under scheme of merger	429,796,600	97,134,032	-	-	526,930,632
Net profit for the year	-	-	-	109,682,935	109,682,935
Balance as at 30 June 2008	**1,004,782,580**	**97,134,032**	**-**	**23,662,528**	**1,125,579,140**
Shares issued	336,600,000	-	-	-	336,600,000
Shares issuance cost-net	-	(20,910,592)	-	-	(20,910,592)
Net loss for the year	-	-	-	(2,578,657)	(2,578,657)
Balance as at 30 June 2009	**1,341,382,580**	**76,223,440**	**-**	**21,083,870**	**1,438,689,890**

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore: **Chairman & Chief Executive Officer** **Director**
08 October 2009

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1 The Company and its Operations

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

2 Significant accounting information and policies

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

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such IFRS issued by the International Accounting Standard Board as are notified under the provisions of Companies Ordinance, 1984., provisions of and directives issued under the the Companies Ordinance, 1984. In case the requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of preparation

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

2.3 Significant accounting judgments and estimates

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

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

- Amortization of intangible assets - (note 2.5 & 4)
- Television program costs - (note 2.10 &8)
- Useful life of depreciable assets- (note 2.4 & 3)
- Staff retirement benefits- (note 2.14 & 21)
- Taxation- (note 2.8 & 31)
- Provisions and contingencies- (note 2.19 & 23)
- Investment property- (note 2.6 & 5)

2.4 Property, plant and equipment

Operating fixed assets

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

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

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

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

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

Finance leases

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

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

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

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

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

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

2.5 Intangible assets

Goodwill

Goodwill represents the difference between the cost of acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired and is stated at cost less impairment, if any.

Other intangible assets

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

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

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

2.6 Investment property

Investment property is property which is held either to earn rental income or for capital appreciation or for both. Investment property is initially recognized at cost, being the fair value of the consideration given, subsequent to initial recognition these are stated at fair value. The fair value is determined annually by an independent approved valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arms length transaction.

Any gain or loss arising from a change in fair value is recognized in the profit and loss account. Rental income from investment property is accounted for as described in note 2.17.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment if it is a gain. Upon disposal of the item the related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the profit and loss account.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording.

2.7 Investments

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

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

The fair value of investments classified as held for trading is their quoted bid price at the balance sheet date.

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

2.8 Taxation

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

Current

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

Deferred

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

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

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

2.9 Inventories

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

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

2.10 Television program costs

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

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

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

2.11 Trade debts and other receivables

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

2.12 Trade and other payables

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

2.13 Financial liabilities

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

Interest bearing borrowings

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

Other financial liabilities

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

2.14 Retirement and other benefits

Defined benefit plan

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

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

2.15 Impairment losses

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

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

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

2.16 Foreign currencies

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

2.17 Revenue recognition

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

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

2.18 Borrowing cost

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

2.19 Provisions

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

2.20 Financial instruments

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

2.21 Offsetting

Financial asset and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.22 Segment reporting

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

2.23 Related Party transactions

All transaction involving related parties arising in the normal course of business are conducted at arms length at normal commercial rates on the same terms and conditions as for third party transactions.

2.24 Accounting Standards and Interpretations not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

Standard or Interpretation		Effective Date (periods beginning on or after)
IAS 1	Presentation of Financial Statements (Revised)	01 January 2009
IAS 23	Borrowing Costs (Revised)	01 January 2009
IAS 27	Consolidated and Separate Financial Statements (Revised)	01 January 2009
IFRS 3	Business Combinations	01 January 2009
IFRS 8	Operating Segments	01 January 2009
IFRIC 12	Service Concession Arrangements	01 January 2009
IFRIC 14	The Limit on Defined Benefit Asset, Minimum Funding requirements and their interactions	01 January 2009
IFRIC 15	Agreements for the Construction of Real Estate	01 January 2009
IFRIC 16	Hedges of Net Investment in a Foreign Operation	01 October 2008
IFRS 2	Share Based Payments	01 January 2010
IFRS 7	Financial Instruments: Disclosure	01 July 2009
IFRIC 17	Distribution of Non Cash Assets	01 July 2009
IAS 36	Impairment of Assets (Amendments)	01 January 2009
IAS 38	Intangible Assets (Revised)	01 January 2009
IAS 39	Financial Instruments: Recognition and Measurement	01 July 2009
IAS 32	Financial Instruments: Presentation (Revised)	01 January 2009
IAS 37	Provisions, Contingent Assets (Revised)	01 January 2009

The Company expects that the adoption of the above standards and interpretations will have no material impact on the Company's financial statements in the period of initial application other than to the extent of certain changes on enhancement in the presentation and disclosure in the financial statements.

	Note	2009 Rupees	2008 Rupees
3 Property, plant and equipment			
Operating assets	*3.1*	**1,133,914,650**	1,118,958,250
Capital work-in-progress-at cost	*3.2*	**197,942,679**	34,677,009
		1,331,857,329	1,153,635,259

3.1 Operating assets

	Land	Building	Laserhold	Plant and requirement		Office equipment		Computers		Furniture	Vehicles		Total
	Freehold	on Freehold Land	improvements	Owned	Under Finance Lease	Owned	Under Finance Lease	Owned	Under Finance Lease	and Fixture	Owned	Under Finance Lease	
							(Rupees)						
Net Carrying Value Basis													
Year Ended 30 June 2009													
Opening net book value (NBV)	20,400,263	28,913,819	59,228,091	773,279,975	87,435,381	51,536,542	131,826	31,998,396	242,561	13,710,680	4,216,923	47,863,792	1,118,958,249
Additions (at cost)	-	-	9,331,923	141,439,296	-	5,508,160	-	3,891,475	-	142,795	394,160	704,000	161,411,809
Transferred from Leased Assets													
Cost	-	-	-	11,257,675	(11,257,675)	-	-	-	-	-	768,050	(768,050)	-
Accumulated depreciation	-	-	-	(750,512)	750,512	-	-	-	-	-	(89,606)	89,606	-
	-	-	-	10,507,163	(10,507,163)	-	-	-	-	-	678,444	(678,444)	-
Disposals (at NBV)	(20,400,263)	(28,680,377)	(2,170,660)	(1,494,201)	-	(3,922,186)	-	(1,309,968)	-	(1,520,960)	(29,135)	(1,427,147)	(60,954,897)
Depreciation charge	-	(233,442)	(2,641,483)	(46,164,508)	(5,631,230)	(5,825,700)	(13,569)	(11,631,959)	(89,939)	(1,559,124)	(1,114,854)	(10,594,705)	(85,500,512)
Closing net book value (NBV)	**-**	**-**	**63,747,871**	**877,567,725**	**71,296,988**	**47,296,816**	**118,257**	**22,947,944**	**152,622**	**10,773,391**	**4,145,538**	**35,867,496**	**1,133,914,650**
Gross Carrying Value Basis													
At 30 June 2009													
Cost	-	-	68,792,971	992,309,697	77,434,060	59,206,692	135,688	48,756,156	272,541	14,442,038	10,875,137	52,453,344	1,324,678,324
Accumulated depreciation	-	-	(5,045,100)	(114,741,972)	(6,137,072)	(11,909,876)	(17,431)	(25,808,212)	(119,919)	(3,668,647)	(6,729,599)	(16,585,847)	(190,763,675)
Net book value	-	-	63,747,871	877,567,725	71,296,988	47,296,816	118,257	22,947,944	152,622	10,773,391	4,145,538	35,867,497	**1,133,914,650**
Net Carrying Value Basis													
Year Ended 30 June 2008													
Opening net book value (NBV)	20,116,263	4,667,279	4,938,207	81,374,644	-	8,507,205	-	1,129,044	-	2,593,369	195,639	11,484,517	135,006,167
Additions (at cost)	284,000	24,582,409	55,414,141	709,064,283	86,180,792	44,475,498	1,318,850	33,703,150	1,510,291	11,944,957	6,866,514	42,064,713	1,017,409,598
Transferred from Leased Assets													
Cost	-	-	-	(2,510,943)	2,510,943	1,183,162	(1,183,162)	1,237,750	(1,237,750)	-	224,700	(224,700)	-
Accumulated depreciation	-	-	-	14,865	(14,865)	(41,231)	41,231	(143,647)	143,647	-	(14,980)	14,980	-
	-	-	-	(2,496,078)	2,496,078	1,141,931	(1,141,931)	1,094,103	(1,094,103)	-	209,720	(209,720)	-
Disposals (at NBV)	-	-	-	-	-	(10,768)	-	-	-	-	(2,450,954)	(334,483)	(2,796,205)
Depreciation charge	-	(335,869)	(1,124,256)	(14,662,874)	(1,241,489)	(2,577,323)	(45,093)	(3,927,902)	(173,627)	(827,646)	(603,996)	(5,141,235)	(30,661,310)
Closing net book value (NBV)	**20,400,263**	**28,913,819**	**59,228,092**	**773,279,975**	**87,435,381**	**51,536,543**	**131,827**	**31,998,395**	**242,561**	**13,710,680**	**4,216,923**	**47,863,792**	**1,118,958,250**
Gross Carrying Value Basis													
At 30 June 2008													
Cost	20,400,263	29,288,909	61,780,021	841,276,416	88,691,735	58,611,909	135,688	48,061,423	272,541	16,209,919	10,656,427	54,194,513	1,288,191,673
Accumulated depreciation	-	(375,090)	(2,551,929)	(67,996,441)	(1,256,354)	(7,075,366)	(3,862)	(16,063,028)	(29,980)	(2,499,239)	(6,439,504)	(6,330,721)	(110,621,514)
Net book value	20,400,263	28,913,819	59,228,092	773,279,975	87,435,381	51,536,543	131,827	31,998,395	242,561	13,710,680	4,216,923	47,863,792	**1,118,958,250**
Depreciation Rate per annum %	**0**	**5**	**5**	**6.67-10**	**6.67-10**	**10**	**10**	**33**	**33**	**10**	**20**	**20**	

3.2 Capital work in progress - at cost

	2009 Rupees	2008 Rupees
Owned		
Land	**38,087,806**	26,367,123
Plant & equipment	**140,854,873**	8,309,886
Advances to suppliers	**19,000,000**	-
	197,942,679	34,677,009

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

3.3 Depreciation charge for the year has been allocated as follows:

	2009 Rupees	2008 Rupees
Direct cost	**46,453,484**	14,658,546
Operating cost	**32,446,518**	10,832,311
Capital work in progress	**6,600,510**	5,170,453
	85,500,512	30,661,310

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

Description	*Note*	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Sold to
Land & Building	*3.4.1*	49,689,172	608,532	49,080,640	140,000,000	Negotiation	Pace Pakistan Ltd
Plant & Equipment							
Sony Compact Players-Digi beta		1,600,000	160,000	1,440,000	870,000	Negotiation	Video Tech
Vehicles							
Suzuki Cultus VXRi CNG		632,000	63,200	568,800	601,628	Insurance Claim	Shaheen Insurance Company Ltd
Suzuki Cultus VXRi CNG		632,000	115,867	516,133	571,949	Insurance Claim	Shaheen Insurance Company Ltd
Suzuki Mehran		377,300	69,172	308,128	368,367	Insurance Claim	Shaheen Insurance Company Ltd
Items with book value less than Rs. 50,000/-		13,382,777	4,341,580	9,041,197	6,260,033	Negotiation	Various parties
Total		**66,313,249**	**5,358,351**	**60,954,898**	**148,671,977**		

3.4.1 Sale proceed includes investment property shown under note 5.

4. Intangible assets

	Licences	Software	Goodwill	Total
		Rupees		
Net Carrying Value Basis				
Year Ended 30 June 2009				
Opening net book value (NBV)	3,977,766	-	149,729,808	153,707,574
Additions during the year	-	422,000	-	422,000
Amortization during the year	(266,804)	(84,400)	-	(351,204)
Closing net book value (NBV)	**3,710,962**	**337,600**	**149,729,808**	**153,778,370**
Gross Carrying Value Basis				
At 30 June 2009				
Cost	4,000,000	422,000	149,729,808	154,151,808
Accumulated amortization	(289,038)	(84,400)	-	(373,438)
Net book value	**3,710,962**	**337,600**	**149,729,808**	**153,778,370**
Net Carrying Value Basis				
Year Ended 30 June 2008				
Opening net book value (NBV)	-	-	-	-
Additions during the year	4,000,000	-	149,729,808	153,729,808
Amortization during the year	(22,233)	-	-	(22,233)
Closing net book value (NBV)	**3,977,767**	**-**	**149,729,808**	**153,707,575**
Gross Carrying Value Basis				
At 30 June 2008				
Cost	4,000,000	-	149,729,808	153,729,808
Accumulated amortization	(22,233)	-	-	(22,233)
Net book value	**3,977,767**	**-**	**149,729,808**	**153,707,575**
Remaining useful life in years	**14**	**1 - 5**	**-**	

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

	Note	2009 Rupees	2008 Rupees
Direct Cost	*27*	**133,404**	11,117
Capital work in progress		**217,800**	11,117
		351,204	22,234

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

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

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

		Note	2009 Rupees	2008 Rupees
5	**Investment property**			
	Opening balance		**83,143,000**	65,121,783
	Fair value adjustment		-	18,021,217
	Disposal during the year		**(83,143,000)**	-
	Closing balance		**-**	83,143,000
6	**Long term deposits**			
	Deposits with financial institutions		**14,535,010**	14,631,743
	Others		**11,268,626**	12,981,958
			25,803,636	27,613,701
	Less: Current maturity	*11*	**(697,750)**	(343,350)
			25,105,886	27,270,351
7	**Inventories**		**95,356,362**	73,624,881

7.1 It also includes inventory in transit amounting to Rs. 20.50 million (June 2008: Rs.46.07 million).

		Note	2009 Rupees	2008 Rupees
8	**Television Program Costs**			
	Unreleased/released less amortisation		**172,282,688**	126,819,836
	Less: Current portion		**74,987,669**	51,886,354
			97,295,019	74,933,482
9	**Trade debts**			
	Considered good - Unsecured			
	Receivable against advertisement		**180,590,704**	209,766,072
	Receivable against Newspaper		**8,624,879**	6,419,341
			189,215,583	216,185,413
	Considered doubtful - Unsecured			
	Receivable against advertisement		**22,052,921**	10,197,671
	Receivable against Newspaper		**1,283,472**	588,875
			23,336,393	10,786,546
	Less: Provision for doubtful trade debts	*9.1*	**(23,336,393)**	(10,786,546)
			189,215,583	216,185,413

	Note	2009 Rupees	2008 Rupees
9.1 Provision for doubtful debts			
Opening balance		**10,786,545**	-
Addition during the year		**12,549,848**	10,786,546
		23,336,393	10,786,546

10 Loans and advances

	Note	2009 Rupees	2008 Rupees
Advances to employees against			
- Salary - Secured	*10.1*	**3,731,536**	4,463,257
- Expense - Unsecured		**6,885,983**	5,532,631
Advances to suppliers - Unsecured		**24,239,032**	5,718,487
		34,856,551	15,714,375

10.1 These are interest free and include advances given to executives of Rs. 1.68 million (June 2008 : Rs. 3.31 million) as per the company policy.

	Note	2009 Rupees	2008 Rupees
11 Deposit and prepayments			
Short term deposits		763,107	810,000
Current maturity of long term deposits	*6*	697,750	343,350
Prepayments		18,316,003	13,627,594
		19,776,860	14,780,944
12 Other receivables			
Advance tax		**16,793,563**	14,123,045
Others		**14,355,335**	12,239,500
		31,148,898	26,362,545
13 Short term investments			
Investments in listed securities at fair value through profit and loss	*13.1*	**-**	72,629,150
Placement - others	*13.2*	**75,000,000**	-
		75,000,000	72,629,150

13.1 Particulars of listed share - At fair value through profit and loss

All shares have face value of Rs. 10 each.

	Number of shares		2009		2008	
	2009	2008	Carrying Value	Market Value	Carrying Value	Market Value
			Rupees		Rupees	
First Capital Equities Limited	-	473,000	-	-	40,205,000	72,629,150
	-	-	-	-	40,205,000	72,629,150

13.2 This represents placement for a period of 90 days and carry mark-up 16.5% per annum. The fair value of the collateral shares was Rs. 112,237,900 at year end.

	Note	2009 Rupees	2008 Rupees
14 Cash and bank balances			
At banks in			
Current accounts		**4,270,836**	10,745,040
Saving accounts	*14.1*	**3,157,765**	30,528,779
		7,428,601	41,273,819
In hand - Cash		**49,083**	64,489
- Cheques		**1,700,315**	-
		9,177,999	41,338,308

14.1 The balances in saving accounts bear mark up at the rate of 5% to 10% (June 2008: 2.5% to 10%) per annum.

	Note	2009 Rupees	2008 Rupees
15 Current maturities of non-current liabilities			
Long term finances	*20*	**151,913,460**	171,073,011
Liabilities against assets subject to finance lease	*22*	**44,889,696**	41,353,158
		196,803,156	212,426,169
16 Short term borrowings			
Banking companies and other financial institutions-Secured			
Running finance	*16.1*	**50,000,000**	50,000,000
Finance against imported merchandise	*16.2*	**16,750,037**	31,771,000
Unsecured- Book Overdraft -Unsecured		**10,857,261**	-
		77,607,298	81,771,000

16.1 Running Finance facility available from commercial bank under mark up arrangements amounts to Rs. 50 million (June 2008: Rs. 50 million). Mark up is charged at 3 months KIBOR plus 2% per annum, payable on quarterly basis. It is secured by way of first hypothecation charge on certain current and fixed assets of the Company.

16.2 This facility available from commercial bank under mark up arrangements amounts to Rs. 45.40 million (June 2008: Rs. 32 million). Mark up is charged at 3 months KIBOR plus 1.5% per annum, payable on quarterly basis. It is secured by way of pledge of imported news print papers at company's godowns.

		Note	2009 Rupees	2008 Rupees
17	**Trade and other payables**			
	Trade creditors		**25,737,190**	50,341,940
	Advance from customers		**9,700,211**	-
	Accrued and other liabilities		**30,676,734**	34,406,065
	Sales tax payable		**6,610,563**	2,475,768
	Tax deducted at source		**1,756,144**	4,352,899
			74,480,842	91,576,672
18	**Interest and markup accrued**			
	Long term financing		**6,148,999**	33,659,181
	Short term borrowings		**918,810**	148,833
	Finance lease		**14,786**	210,472
			7,082,595	34,018,486
19	**Deferred taxation**			
	This is composed of:			
	Liability for deferred taxation comprising temporary differences related to:			
	Accelerated tax depreciation		**203,883,742**	176,659,518
	Asset for deferred taxation comprising temporary differences related to:			
	Unused tax losses and tax credits		**(259,482,970)**	(213,312,738)
	Others		**(10,212,810)**	(7,243,607)
			(65,812,038)	(43,896,827)

20 Long term finances

	Note	2009 Rupees	2008 Rupees
Banking companies and other financial institutions			
First National Bank Modarba - Secured	*20.1*	**20,000,000**	30,000,000
Soneri Bank Limited - Secured	*20.2*	**52,812,500**	65,000,000
		72,812,500	95,000,000
Associated companies - Unsecured	*20.3*	**419,417,011**	475,580,133
		492,229,511	570,580,133
Less: current portion shown under current liabilities			
First National Bank Modarba - Secured		**(10,000,000)**	(10,000,000)
Soneri Bank Limited - Secured		**(16,250,000)**	(12,187,500)
Associated companies - Unsecured		**(125,663,460)**	(148,885,511)
		(151,913,460)	(171,073,011)
		340,316,051	399,507,122

20.1 The Company has arranged a Modaraba finance from First National Bank Modaraba for an amount of Rs. 30 million (June 2008 : Rs. 30 million) against security of various equipment, Stores and Spares, Furniture & Fixture, Plant & Machinery, Vehicles etc. for the period of three years. The Mark up is charged @ 12.27% per annum based on Timely Payment Profit Rate(TPPR), payable on half yearly basis.

20.2 Long term financing availed from commercial bank under mark up arrangements for an amount of Rs. 65 million (June 2008: Rs. 65 million). Mark up is charged at 6 months KIBOR plus 3% per annum, payable on half yearly basis. These are secured by way of first pari passu charge on fixed assets of the Company amounting to Rs. 100 million (June 2008: Rs. 100 million) including land & building.

20.3 This represents unsecured long term loans from associated companies carrying mark-up at the rate 17.50 % to 18.00% per annum, payable on quarterly basis (June 2008:13.96% to 16%).

21 Staff Retirement benefits

Gratuity

Amount recognized in the Balance Sheet are as follows:

	2009 Rupees	2008 Rupees
Present value of defined benefit obligation	**34,469,852**	31,077,041
Unrecognized actuarial Gains/(losses)	**2,614,381**	(867,704)
Unrecognized transitional liability	**(540,729)**	(720,972)
Balance sheet liability at year end	**36,543,504**	29,488,365

	2009 Rupees	2008 Rupees
21.1 Movement in net obligation		
Net liability beginning of the year	**29,488,365**	9,355,486
Acquisition through business combination	**-**	9,557,905
Additional liability due to transferred employees	**260,000**	440,000
Charge for the year	**15,372,281**	11,556,830
Paid during the year	**(8,577,142)**	(1,421,856)
Net liability at year end	**36,543,504**	29,488,365

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

	2009 Rupees	2008 Rupees
Present value of defined benefit obligation at the beginning of the year	**31,077,041**	10,879,745
Liability transferred due to acquisition through business combination	**-**	10,574,283
Current service cost	**15,192,038**	9,787,694
Interest cost	**-**	1,616,689
Additional liability due to transferred employees	**260,000**	440,000
Benefit paid during the year	**(8,577,142)**	(1,421,856)
Actuarial (gain)/loss	**(3,482,085)**	(799,514)
Present value of defined benefit obligation at year end	**34,469,852**	31,077,041

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

	2009 Rupees	2008 Rupees
Current service cost	**15,136,524**	9,787,694
Interest cost	**-**	1,616,689
Actuarial (gains)/losses charge	**96,386**	62,326
Liability/(Asset) charged due to application of IAS-19	**139,371**	90,121
Total amount chargeable to P&L account	**15,372,281**	**11,556,830**

21.4 Recent actuarial valuation of the plan was carried out on 30 June 2009 by Nauman Associates.

21.5 Principal actuarial assumptions

	2009	2008
Discount rate	12% per annum	12% per annum
Expected rate of Eligible Salary increase in future years	11% per annum	11% per annum
Average expected remaining working life time of employees	12 years	11 years

	2009 Rupees	2008 Rupees	2007 Rupees	2006 Rupees
21.6 Historical information for gratuity plan				
Present value of defined benefit obligation	**34,469,852**	31,077,041	10,879,745	7,670,960
Actuarial experience adjustments on plan liabilities	**3,482,085**	799,514	(1,724,714)	(271,641)

22 Liabilities against assets subject to finance lease

	2009 Rupees	2008 Rupees
Present value of minimum lease payments	**76,734,924**	116,094,669
Less: Current portion shown under current liabilities	**(44,889,696)**	(41,353,159)
	31,845,228	74,741,510

Interest rate used as discounting factor ranging from 12.60% to 20.16% per annum (June 2008: 12.03 % to 14.10% per annum). Taxes, repairs, replacements and insurance costs are to be borne by lessee. Under the terms of the agreements, the Company has an option to acquire the assets at the end of the respective lease term by adjusting the deposit amount against the residual value of the asset and the Company intends to exercise the option. In case of default in payment of instalments the Company will be liable to pay additional lease rental on overdue payment at the rate of 0.1% per day (June 2008: 0.1% per day).

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

	2009			2008		
	Minimum Lease Payment	**Finance charge for future periods (Rupees)**	**Present value of minimum lease payments**	Minimum Lease Payment	Finance charge for future periods (Rupees)	Present value of minimum lease payments
Not later than one year	**52,714,780**	**7,825,084**	**44,889,696**	52,509,743	11,156,585	41,353,158
Later than one year but not later than five year	**33,057,358**	**1,212,130**	**31,845,228**	81,159,818	6,418,308	74,741,510
	85,772,138	**9,037,214**	**76,734,924**	133,669,561	17,574,893	116,094,668

23 Contingencies and commitments

23.1 Sales tax department had made an allegation on the Company for not paying sales tax on outdated Newspaper and scrap sale. The case was referred before the adjudication department which was decided by the Deputy Collector (Adjudication) Sales Tax & Federal Excise in favor of the Company. Sales tax department filed an appeal before Collector of Sales Tax (Appeals) which later decided in favor of Sales tax department. Now the case is pending at Customs, Sales Tax and Federal Excise Appellate Tribunal, Lahore level on appeal filed by the Company and the management is confident that the case will be decided in favor of the Company.

		2009 Rupees	2008 Rupees
23.2	Commitments in respect of capital expenditure	**34,255,321**	17,647,488
23.3	Outstanding letters of credit	**-**	29,506,587
23.4	Commitments in respect of content/programs	**7,955,109**	22,783,309

24 Issued, subscribed and paid up capital

	2009 Rupees	2008 Rupees
91,158,598 (June 2008:57,498,598) Ordinary Share of Rs. 10 each fully paid in cash	**911,585,980**	574,985,980
42,979,660 (June 2008:42,979,660)Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger	**429,796,600**	429,796,600
	1,341,382,580	1,004,782,580

Reconciliation of Issued, subscribed and paid up capital

	No. of Shares	
Opening balance	**100,478,258**	17,501,817
Issued as fully paid in cash	**33,660,000**	39,996,781
Issued in accordance with the scheme of merger	**-**	42,979,660
	134,138,258	100,478,258

24.1 During the year Company issued 33,660,000 ordinary shares of Rs. 10 each at a subscription price of Rs. 10 per share to general public through Initial public offer (IPO).

24.2 First Capital Securities Corporation (FCSC), the associated company holds 31,449,389 (2008: 11,000,000) shares with a percentage of 23.45 % (2008:10.95 %).

25 Share Premium

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

26 Revenue -Net

	2009 Rupees	2008 Rupees
Advertisement	**505,263,570**	449,101,610
Newspaper	**68,136,623**	64,041,671
Production and other services	**25,637,826**	11,455,980
	599,038,019	524,599,261
Less:		
Sales tax	**(15,662,773)**	(14,425,343)
Discount and commission	**(78,959,823)**	(49,639,454)
	(94,622,596)	(64,064,797)
	504,415,423	460,534,464

	Note	2009 Rupees	2008 Rupees
27 Direct cost			
Salaries, wages and benefits		**88,812,077**	73,998,060
Paper cost		**73,540,444**	68,730,318
Programming and content		**45,964,236**	9,839,613
Printing Charges		**19,243,629**	18,926,825
Stores and spares		**14,101,098**	16,316,493
Transmission and uplinking		**12,107,106**	8,663,460
Insurance		**3,648,240**	1,860,009
News agencies charges		**4,330,816**	3,043,149
Repair and maintenance		**3,856,757**	2,943,531
Utilities		**8,935,964**	6,283,133
Freight and carriage		**2,760,370**	1,855,823
Depreciation	*3.3*	**46,453,484**	14,658,546
Amortization of intangible assets	*4.1*	**133,404**	11,117
Others		**931,317**	2,122,185
		324,818,942	229,252,261

	Note	2009 Rupees	2008 Rupees
28 Operating cost			
Salaries, wages and benefits		**56,249,804**	42,076,962
Rent, rates and taxes		**17,862,779**	13,769,639
Communications		**12,479,216**	10,569,350
Vehicle running and maintenance		**13,451,067**	11,535,200
Marketing, selling and distribution		**7,129,840**	7,136,097
Legal and professional		**1,368,657**	2,026,934
Insurance		**3,581,794**	1,404,900
Utilities		**6,482,730**	2,738,009
Printing and stationary		**2,418,426**	2,293,966
Entertainment		**4,839,264**	4,549,664
Travel and conveyance		**5,398,876**	3,213,674
Repairs and maintenance		**4,849,275**	4,482,999
Provision for doubtful trade debts	*9*	**12,549,848**	10,786,546
Fees and subscriptions		**1,765,910**	1,065,622
Postage and courier		**533,940**	561,772
Newspapers and periodicals		**1,294,380**	1,380,047
Auditor's remuneration	*28.1*	**518,000**	380,300
Depreciation	*3.3*	**32,446,518**	10,832,311
Amortization of deferred cost		**-**	112,407
Miscellaneous		**1,877,457**	2,572,785
		187,097,781	133,489,185

	Note	2009 Rupees	2008 Rupees
28.1 Auditor's remuneration			
Statutory audit fee		**300,000**	300,000
Half yearly review fee		**150,000**	-
Corporate Governance Review, Certifications and others		**50,000**	65,300
Out of pocket expenses		**18,000**	15,000
		518,000	380,300

29 Finance cost

	Note	2009 Rupees	2008 Rupees
Mark-up on long term finances		**26,078,232**	14,406,878
Mark-up on short term finances		**7,345,881**	2,197,370
Financial charge on leased liabilities		**4,062,761**	2,911,406
Bank charges and commission		**658,350**	204,195
		38,145,224	19,719,849

30 Other operating income

	Note	2009 Rupees	2008 Rupees
Income from financial assets			
Profit on deposits with banks		**777,675**	842,312
Income from non-financial assets			
Rental income from investment property		**7,699,915**	2,674,324
Gain on disposal of property, plant and equipment		**6,557,250**	83,385
Gain on Sale of Investment Property		**1,994,305**	-
Miscellaneous		**33,904**	1,236,972
		16,285,374	3,994,681
		17,063,049	4,836,993

31 Taxation

	Note	2009 Rupees	2008 Rupees
Current year			
Current	*31.1*	**734,993**	-
Deferred		**(21,915,211)**	23,672,594
		(21,180,218)	23,672,594

31.1 This represents tax on rental income chargeable as a seprate block.

	Note	2009 Rupees	2008 Rupees
32 Earnings per share-Basic and diluted			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
Profit/(Loss) after taxation available for distribution to ordinary shareholders	*Rupees*	**(2,578,657)**	109,682,935
Weighted average number of ordinary shares	*Number*	**115,284,106**	78,512,322
Earnings per share-Basic and diluted	*Rupees*	**(0.02)**	1.40

33 Related party transactions

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

	2009 Rupees	2008 Rupees
Associates:		
Rental Income	**7,699,915**	2,674,324
Purchase of goods and services	**2,159,885**	23,414,446
Services rendered	**40,967,485**	5,665,247
Interest on loan	**77,805,150**	23,278,471
Sale of fixed assets / investment property	**140,000,000**	-

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

34 Cash generated from operations

	Note	2009 Rupees	2008 Rupees
Profit/(loss) before taxation		**(23,758,875)**	133,355,529
Adjustment for non-cash charges and other items:			
Depreciation		**85,500,511**	25,490,858
Amortization of intangible assets		**351,204**	11,117
Amortization of deferred cost		**-**	112,407
Provision for doubtful debts		**12,549,848**	10,786,546
Gain on disposal of property, plant and equipment		**(3,634,176)**	(83,385)
Gain on re-measurement of investments at fair value		**(4,824,600)**	(32,424,150)
Gain on disposal of investment property		**(1,994,305)**	(18,021,217)
Retirement benefits		**15,632,281**	11,996,830
Finance cost		**38,145,224**	19,719,849
Profit before working capital changes		**117,967,112**	150,944,384
Effect on cash flow due to working capital changes:			
Inventories		**(21,731,481)**	(60,274,451)
Television programs costs		**(22,361,537)**	4,750,979
Trade debts		**14,419,983**	(55,706,767)
Loans and advances		**(19,142,176)**	11,833,829
Deposit & prepayments		**(4,995,916)**	3,572,866
Other receivables		**(2,115,835)**	593,751
Trade and other payables		**(17,095,830)**	36,705,849
		(73,022,793)	(58,523,944)
		44,944,319	92,420,439

35 Remuneration of chief executive, directors and executives

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

	Directors		Executives	
	2009 Rupees	2008 Rupees	2009 Rupees	2008 Rupees
Managerial	**2,106,667**	2,000,000	**28,601,338**	28,789,840
Retirement benefits	**2,000,000**	1,750,000	**14,261,000**	11,665,512
Housing	**842,667**	800,000	**11,440,536**	11,515,940
Utilities	**210,666**	200,000	**2,860,134**	2,878,985
	5,160,000	**4,750,000**	**57,163,008**	**54,850,277**
Number of persons	**3**	**2**	**41**	56

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

No meeting fee was paid to directors during the year (June 2008: Rs. Nil)

No remuneration was paid to chief executive during the year (June 2008: Rs. Nil)

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

36.1 Credit risk

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

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

36.1.1 Exposure to credit risk

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

	2009 Rupees	2008 Rupees
Trade debts	**189,215,583**	216,185,413
Loans and advances	**3,731,536**	4,463,257
Deposits & prepayments	**763,107**	810,000
Other receivables	**14,355,335**	12,239,500
Short term investments	**75,000,000**	72,629,150
Cash and bank balances	**9,177,999**	41,338,308
	292,243,560	347,665,628

The credit quality of financial assets can be assessed by reference to external credit rating or the historical information about counter party defaults.

The age of trade debts at the reporting date was:

	2009 Rupees	2008 Rupees
Past due but not impaired		
Past due 0 - 30 days	**70,020,570**	75,608,507
Past due 31 - 60 days	**32,583,713**	37,211,035
Past due 61 - 90 days	**18,385,113**	29,839,016
Past due 91 - 120 days	**31,691,378**	25,987,815
Past due 121 days	**36,534,809**	47,539,040
	189,215,583	216,185,413

As at 30 June 2009 trade debts of Rs. 23,336,393 (June 2008 : Rs. 10,786,546) were provided for.

36.2 Liquidity risk

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

The following are the contractual maturities of financial liabilities.

	2009			2008		
	Maturity upto one year	**Maturity after one year**	**Total**	Maturity upto one year	Maturity after one year	Total
Liabilities against assets subject to finance lease	**44,889,696**	**31,845,228**	**76,734,924**	41,353,158	74,741,510	116,094,668
Long term financing	**151,913,460**	**340,316,051**	**492,229,511**	171,073,011	399,507,122	570,580,133
Trade & other payables - Unsecured	**74,480,842**	**-**	**74,480,842**	91,576,672	-	91,576,672
Short term borrowing - secured	**77,607,298**	**-**	**77,607,298**	81,771,000	-	81,771,000
Interest accrued	**7,082,595**	**-**	**7,082,595**	34,018,486	-	34,018,486
	355,973,891	**372,161,279**	**728,135,170**	419,792,327	474,248,632	894,040,959

36.3 Market risk

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

36.3.1 Currency risk

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

36.3.2 Interest rate risk

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

	2009	2008
	Carrying amount (Rs.)	
Fixed rate instruments:		
Financial Assets	**75,000,000**	**72,629,150**
Financial liabilities	**419,417,011**	**475,580,133**
Variable rate instruments:		
Financial liabilities	**227,154,722**	**292,165,669**
Long Term Finances	**72,812,500**	95,000,000
Liabilities against assets subject to finance lease	**76,734,924**	116,094,669
Short term borrowings	**77,607,298**	81,771,000

Fair value sensitivity analysis for fixed rate instruments

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

Cash value sensitivity analysis for variable rate instruments

An increase of 1 % in interest rate at the reporting date would have increased mark up by Rs. 4,062,302 (June 2008 : Rs. 1,900,078). Similarly a decrease of 1 % in interest rate would have decrease mark up by a similar amount. This analysis assumes that all other variable remain constant.

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

36.3.3 Price risk

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

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable. Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date except for, unquoted investments which are carried at cost. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

36.3.4 Fair value of financial instruments

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

36.4 Capital Risk Management

The company's objective when managing capital are to safeguard the company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optional capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the company monitors the capital structure on the basis of gearing ratio. The ratio is calculated as borrowings divided by total capital employed. Borrowings represents long term financing and short term financings obtained by the company as referred to in note 20 and 16 respectively. Total Capital employed includes "Total Equity" as shown in the Balance Sheet plus "borrowings". The Company strategy which was unchanged from last year, was to maintain leveraged gearing.

	2009	2008
	Rupees	
Total Borrowings	**492,229,511**	570,580,133
Total Equity	**1,438,689,890**	1,125,579,138
Total Capital employed	**1,930,919,401**	1,696,159,271
Gearing Ratio	**25%**	34%

The company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. A significant decline in the gearing ratio during the year resulted primarily due to issuance of share capital.The company is not exposed to any externally imposed capital requirements.

37 Segment reporting

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

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

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

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

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

- Electronic media division comprises of "Business Plus" and "Wikkid Plus" being the two satellite channels.

Segment analysis for the year ended 30 June 2009

	Print Media	Electronic Media (Rupees)	Total
Sales			
External sales	429,403,649	169,634,370	599,038,019
Sales tax	-	(15,662,773)	(15,662,773)
Discount and commission	(61,831,637)	(17,128,186)	(78,959,823)
Total revenue - net	367,572,012	136,843,411	504,415,423
Profit before tax and unallocated expenses	18,130,068	(41,888,943)	(23,758,875)
Unallocated corporate expenses			
Taxation			21,180,218
Loss after taxation			(2,578,656)
Segment assets and liabilities			
Segment assets	1,512,933,298	624,623,228	2,137,556,525
Unallocated segment assets	-	-	65,812,039
Consolidated total assets			2,203,368,564
Segment liabilities	632,681,810	131,996,864	764,678,674
Consolidated total liabilities			764,678,674

	Print Media	Electronic Media (Rupees)	Total
Segment capital expenditure	190,937,281	133,740,198	324,677,479
Depreciation and amortization	35,373,344	50,478,371	85,851,715

38 Date of authorization for issue

These financial statements were authorized for issue on 08 October 2009 by the Board of Directors.

39 General

39.1 Comparative figures of the Profit & Loss Account and Cash Flow Statement represents six months financial results of merged Media Times Limited and Total Media Limited and six months results of Media Times Limited prior to merger as effective date of merger was 01 January 2008.

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

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

Lahore: **Chairman & Chief Executive Officer** **Director**
08 October 2009

FORM OF PROXY

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

Folio No./CDC A/c. No.	_______________
Shares Held:	_______________

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

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

____ of ____
(Name) *(Address)*

or failing him / her / Mr. / Mrs. / Miss. ______________________________ of___________________________
(Name) *(Address)*

[who is also member of the Company vide Registered Folio No. /CDC A/c. No. ______________ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my / our behalf at an Annual General Meeting of the Company to be held at the Head Office of the Company, 103-C/II, Gulberg-III, Lahore, on 31 October 2009 at 4:00 p.m. and at any adjournment thereof.

Signature this ____________________ Day of __________________ 2009.

(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.