

Media Times Limited

Financial statements for the year
ended 30 June 2019

Media Times Limited
Statement of Financial Position
As at 30 June 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	6	267,951,455	333,180,026
Intangibles	7	1,042,938	1,309,746
Long term deposits		6,748,807	6,539,043
Deferred taxation	8	-	-
		275,743,200	341,028,815
<u>Current assets</u>			
Stores and spare parts		54,433	836,213
Trade debts	9	40,975,021	99,366,051
Advances, prepayments and other receivable	10	1,737,981	16,435,316
Advance income tax		7,093,265	6,666,068
Cash and bank balances	11	588,218	710,626
		50,448,918	124,014,274
		326,192,118	465,043,089
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital			
210,000,000 (2018: 210,000,000) ordinary shares			
of Rs. 10 each	12	2,100,000,000	2,100,000,000
Share capital	12	1,788,510,100	1,788,510,100
Share premium reserve	13	76,223,440	76,223,440
Accumulated loss		(2,606,334,042)	(2,343,330,661)
		(741,600,502)	(478,597,121)
<u>Non-current liabilities</u>			
Long term finance	14	264,756,697	248,587,697
Deferred liability	15	26,459,530	31,956,709
		291,216,227	280,544,406
<u>Current liabilities</u>			
Trade and other payables	16	527,913,128	474,866,665
Contract liability	17	8,498,583	-
Accrued mark-up	18	168,589,173	119,313,584
Short term borrowings	19	48,000,000	48,000,000
Liabilities against assets subject to finance lease	20	23,575,509	20,915,555
		776,576,393	663,095,804
		326,192,118	465,043,089
Contingencies and commitments			
	21		

The annexed notes from 1 to 38 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Media Times Limited
Statement of Profit or Loss
For the year ended 30 June 2019

	Note	2019 Rupees	2018 Rupees
Revenue - net	22	177,165,827	354,887,897
Cost of production	23	(208,936,364)	(315,650,917)
Gross (loss) / profit		(31,770,537)	39,236,980
Administrative and selling expenses	24	(118,293,203)	(209,822,482)
Expected credit loss on financial assets at amortized cost	9.3	(41,012,944)	-
Other income	25	13,456,727	37,156,935
Finance cost	26	(52,457,688)	(67,623,390)
Other expenses	27	(13,610,568)	(18,331,229)
Loss before taxation		(243,688,213)	(219,383,186)
Taxation	28	(817,911)	(9,888,393)
Loss after taxation		(244,506,124)	(229,271,579)
Loss per share - basic and diluted	29	(1.37)	(1.28)

The annexed notes from 1 to 38 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

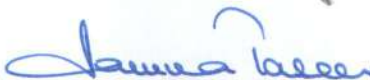
Media Times Limited
Statement of Comprehensive Income
For the year ended 30 June 2019

	2019	2018
	Rupees	Rupees
Loss after taxation	(244,506,124)	(229,271,579)
<u>Other comprehensive income / (loss)</u>		
<i>Items that will never be reclassified to profit or loss:</i>		
- Actuarial gain / (loss) on defined benefit obligation	1,189,323	(1,844,056)
Total comprehensive loss for the year	<u><u>(243,316,801)</u></u>	<u><u>(231,115,635)</u></u>

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

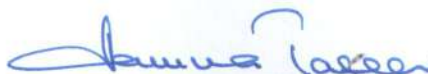
Media Times Limited
Statement of Cash Flow
For the year ended 30 June 2019

	Note	2019 Rupees	2018 Rupees
<u>Cash flows from operating activities</u>			
Cash used in operations	30	(25,044,823)	(47,260,732)
Retirement benefits paid		-	-
Finance cost paid		(522,145)	(1,069,799)
Income tax paid		(1,245,107)	(3,893,425)
Net cash used in operating activities		(26,812,075)	(52,223,956)
<u>Cash flows from investing activities</u>			
Fixed capital expenditure		(756,783)	(8,056,200)
Proceeds from sale of property, plant and equipment		11,277,450	6,379,639
Net cash generated from / (used in) investing activities		10,520,667	(1,676,561)
<u>Cash flows from financing activities</u>			
Repayment of liabilities against assets subject to finance lease		-	(180,000)
Proceeds of long term finances - net of repayments		16,169,000	54,400,000
Repayment of short term borrowings		-	(2,295,520)
Net cash generated from financing activities	35	16,169,000	51,924,480
Net increase / (decrease) in cash and cash equivalents		(122,408)	(1,976,037)
Cash and cash equivalents at beginning of the year		710,626	2,686,663
Cash and cash equivalents at end of the year	11	588,218	710,626

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Executive



Director



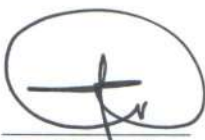
Chief Financial Officer

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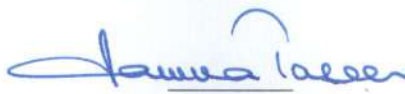
Media Times Limited
Statement of Changes in Equity
For the year ended 30 June 2019

	Share capital	Capital reserve Share premium	Revenue reserve Accumulated loss	Total
	Rupees			
Balance at 30 June 2017	1,788,510,100	76,223,440	(2,112,215,026)	(247,481,486)
<u>Total comprehensive income for the year</u>				
Loss for the year	-	-	(229,271,579)	(229,271,579)
Other comprehensive loss for the year ended 30 June 2018	-	-	(1,844,056)	(1,844,056)
Total comprehensive loss	-	-	(231,115,635)	(231,115,635)
Balance at 30 June 2018	1,788,510,100	76,223,440	(2,343,330,661)	(478,597,121)
Effect of initial application of IFRS 9, (note - 4.1.2)	-	-	(19,686,580)	(19,686,580)
Adjusted balance as at 1 July 2018	1,788,510,100	76,223,440	(2,363,017,241)	(498,283,701)
<u>Total comprehensive income for year</u>				
Loss for the year	-	-	(244,506,124)	(244,506,124)
Other comprehensive income for the year ended 30 June 2019	-	-	1,189,323	1,189,323
Total comprehensive loss	-	-	(243,316,801)	(243,316,801)
Balance at 30 June 2019	1,788,510,100	76,223,440	(2,606,334,042)	(741,600,502)

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Media Times Limited
Notes to the Financial Statements
For the year ended 30 June 2019

1 Corporate and general information

1.1 Legal status and nature of business

Media Times Limited ("the Company") was incorporated in Pakistan on 26 June 2001 as a private limited company and was converted into public limited company on 06 March 2007. The Company is listed on the Pakistan Stock Exchange. The registered office of the Company is located at 41-N, Industrial Area, Gulberg II, Lahore. The Company is primarily involved in printing and publishing daily English and Urdu newspapers by the name of "Daily Times" and "AajKal" respectively. Printing facilities of the Company are located at 41-N, Industrial Area, Gulberg II, Lahore.

2 Events and conditions related to going concern

The Company has incurred a net loss of Rs. 244.5 million during the year ended 30 June 2019 and, as of date, the Company's current liabilities exceeded its total assets by Rs. 450.38 million. The Company's equity has eroded and the accumulated losses exceed the share capital and share premium by Rs. 741.6 million at 30 June 2019. "Zaiqa" channel of the Company remained non- operational throughout the year and the "Business Plus" channel remained operational only till mid of August 2018. The channels were remained non operational due to shifting of up linking station from Karachi to Lahore region. Further during the year revenue from advertisement in print media and revenue from outsourcing fee and other services has decreased by 23% and 42% respectively as compared to last year due to the ongoing economic and political situation in the country resulting cuts in advertisement budget of majority of clients. The Company has also defaulted in payments of its loan and lease liabilities as mentioned in notes 19 and 20 to these financial statements. There is a material uncertainty related to these events which may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's sponsors are negotiating with Faysal Bank Limited for settlement of short term borrowings from their own sources. The Company has relaunched its Urdu Newspaper "Daily Aaj Kal" and is planning to launch further products in print and social media sectors. Further the Company is planning to launch a Web TV with the brand name of Daily Times and to relaunch "Zaiqa" channel and "Business" plus channel with improved content and distribution all over Pakistan. The management of the Company is confident that the above actions and steps shall enable the Company to attract revenue streams that will result in improved liquidity. Further the Company's promoters have offered full support to the Company to meet any working capital needs.

3 Basis of preparation

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017 and
 - Provision of and directives issued under the Companies Act, 2017.
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Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee ("Rs.") which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

3.4 Use of estimates and judgments

The preparation of these 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, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value 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. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

3.4.1 Property, plant and equipment

The management of the Company reassesses useful lives and residual value for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. Any change in the estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.4.2 Stores and spare parts

The Company reviews the stores and spare parts for possible impairment on regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of stores and spare parts with a corresponding effect on provision.

3.4.3 Expected credit loss / Loss allowances against trade debts, deposits, advances and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

3.4.4 Provisions and Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

3.4.5 Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.4.6 Staff retirement benefits

The Company operates approved unfunded gratuity scheme covering all its full time permanent workers who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity scheme is managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

Gratuity cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Calculations are sensitive to changes in the underlying assumptions.

4 Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as disclosed in note 4.1.

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4.1 Changes in accounting policy

During the year, the Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018. Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

4.1.1 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgment. The Company prints newspapers / magazines and enter into contract with customers for sale of newspapers / magazines / advertisement in newspaper, electronic media and social media which generally include single performance obligation. Management has concluded that revenue from sale of newspaper is recognized at the point in time when control of the goods / services is transferred to the customers which is when newspapers / magazines are dispatched to the customer in case of sale of newspaper / magazines and when advertisement is published / aired in case of revenue from advertisement. The above is generally consistent with the timing and amounts of revenue the Company recognized in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company except for the following reclassification.

	As reported as at 30 June 2018	Reclassification	As at 01 July 2018
<u>Statement of financial position</u>			
	-----Rupees-----		
Current liabilities:			
Trade and other payables	474,866,665	(9,403,852)	465,462,813
Contract liability	-	9,403,852	9,403,852

The following table summaries the impacts of IFRS 15 on the balances reported in the Company's statement of financial position as at 30 June 2019, however, there was no impact on the statement of profit or loss, the statement of other comprehensive income and the statement of cash flows for the year ended 30 June 2019.

	Reported as at 30 June 2019	Reclassification	Amounts without adoption of IFRS 15 as at 30 June 2019
<u>Statement of financial position</u>			
	-----Rupees-----		
Current liabilities:			
Trade and other payables	527,913,128	8,498,583	536,411,711
Contract liability	8,498,583	(8,498,583)	-

The detailed accounting policy is explained in note 4.14 to the financial statements.

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4.1.2 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaced IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 contains three principal classification categories for financial assets:

- fair value through Other Comprehensive Income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables, held for trading and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has no significant impact on the Company's accounting policies and classifications related to financial

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets at 01 July 2018:

Financial Assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 as at 30 June 2018	Provision for expected credit loss as at 01 July 2018	New carrying amount under IFRS 9 as at 01 July 2018
Cash and bank balances	Loans and receivable	Amortized cost	710,626	-	710,626
Other receivables	Loans and receivable	Amortized cost	13,095,277	(10,524,915)	2,570,362
Long term deposits	Loans and receivable	Amortized cost	6,539,043	-	6,539,043
Trade debts - unsecured, considered good	Loans and receivable	Amortized cost	99,366,051	(9,161,665)	90,204,386

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than IAS 39.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade debts. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. For other financial assets at amortized cost and cash and cash equivalent, the Company assesses that credit risk of these financial assets as low and determined loss allowance at 12 month expected credit loss. The Company monitors changes in credit risk by tracking published external credit ratings. As explained in note 5.1 to these financial statements, requirements of ECL model of IFRS 9 is not applied on financial assets due from GOP as at 30 June 2019. The Company has determined that the application of IFRS 9's impairment requirement as at 01 July 2018 results in additional allowance for impairment as follows:

	As at 01 July 2018 Rupees
Loss allowance as at 30 June 2018 under IAS 39	165,494,871
Expected credit loss recognized at 01 July 2018 on trade debts (note 9.3)	9,161,665
Expected credit loss recognized at 01 July 2018 on other receivables (note 10)	10,524,915
Loss allowance as at 01 July 2018 under IFRS 9	<u><u>185,181,451</u></u>

The following table summarizes the impact of IFRS 9 on opening retained earnings as at 01 July 2018:

Retained earnings:

Impact at 01 July 2018 due to recognition of expected credit loss (ECL) under IFRS 9	<u><u>19,686,580</u></u>
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The detailed accounting policies are explained in note 4.7 to these financial statements.

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4.2 Property, plant and equipment

Owned

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied in the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit and loss as incurred.

Depreciation is provided on straight line method and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note to these financial statements after taking into account their residual values. Depreciation on additions is charged from the date asset is available for use up to the date when asset is retired.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on sale of an item of property, plant and equipment are determined by comparing the proceeds from sale with the carrying amount of property, plant and equipment, and are recognized in profit or loss account.

Leased

Assets held under finance lease arrangements are initially recorded at the lower of present value of minimum lease payments under the lease agreements and the fair value of leased assets. Depreciation on leased assets is charged by applying straight line method at the rates used for similar owned assets, so as to depreciate the assets over their estimated useful life in view of certainty of ownership of assets at the end of the lease term.

4.3 Intangibles

Intangibles are stated at cost less accumulated amortization for finite intangibles and any identified impairment loss. The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Finite intangibles are amortized using straight-line method over their estimated useful lives. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal up to the month of disposal.

4.4 Stores and spare parts

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

4.5 Trade debts, deposits and other receivable

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

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4.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances which are carried in the balance sheet at cost.

4.7 Financial instruments

4.7.1 Recognition and initial measurement

Financial assets and liabilities are initially recognized when the Company becomes a party to contractual provisions of the instrument. And a financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

4.7.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Company has no such instrument at the balance sheet date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. However, the Company has no such instrument at the balance sheet date.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, the Company has no such instrument at the balance sheet date.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
 - terms that may adjust the contractual coupon rate, including variable-rate features;
 - prepayment and extension features; and
 - terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).
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Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise trade and other payables, long term finance, short term borrowing, liabilities against assets subject to finance lease and accrued mark up.

4.7.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4.8 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.10 Share capital

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

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4.11 Retirement and other benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company and measured on an undiscounted basis. The accounting policy for employee retirement benefits is described below:

Post employment benefits - Defined benefit plan

The Company operates unfunded defined benefit gratuity plan for all permanent employees, having a service period of more than one year. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

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

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

4.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services received.

4.13 Provisions

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.14 Revenue and other income recognition

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services rendered excluding sales taxes and after deduction of any trade discounts. Revenue from specific revenue and other income recognition policies are as follows:

- Revenue from sale of newspapers / magazines is recognized at the point in time when control is transferred to the customer which is when newspapers / magazines are dispatched to the
- Revenue from advertisement in print media is recognized at the point in time when the control is transferred to the customer which is on the publication of advertisement;
- Revenue from advertisement in electronic media is recognized at the point in time when the control is transferred to the customer which is when the related advertisement or commercial appears before the public i.e. on telecast;

- Revenue from sale of outdated newspaper is recognized at the point in time when control is transferred to the customer which is when newspapers are dispatched to the customer;
- Revenue from outsourcing and other services is recognized when the control is transferred to the customer i.e. when related services are provided;
- Rental income is recognized over the time when control is transferred to customers i.e. when right to receive payment is established;
- Dividend income is recognized when the Company's right to receive payment is established; and
- Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

4.15 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievement.

4.16 Taxation

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

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4.17 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.18 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency differences arising on retranslation are generally recognized in profit and loss account.

4.19 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.20 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from other segments. Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Director of the Company that makes strategic decisions.

5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

- 5.1** Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 985 (I)/2019 dated 02 September 2019 has deferred the applicability of "Expected Credit Loss method" (ECL) till 30 June 2021 in respect of companies holding financial assets due from Government of Pakistan (GOP), provided that such companies follow the requirements of "IAS 39 - Financial Instruments: Recognition and Measurement" in respect of the said financial assets during the exemption period. Accordingly, requirements of ECL model of IFRS 9 is not applied on financial assets due from GOP as at 30 June 2019.

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5.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.
- Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortized cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortized cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

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- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements. The application of amendments is not likely to have an impact on Company's financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future.. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business. The amendment, is not likely to have an impact on the Company's financial statements.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

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6 Property, plant and equipment

	Owned assets							Leased assets				Total	
	Leasehold improvements	Plant and machinery	Office equipment	Computers	Furniture and fittings	Vehicles	Sub total	Plant and equipment	Office equipment	Computers	Vehicles		Sub total
Cost	Rupees							Rupees					
Balance as at 1 July 2017	65,657,031	1,184,750,364	56,144,987	50,140,595	13,342,983	28,194,443	1,398,230,403	66,667,045	120,178	272,541	4,808,679	71,868,443	1,470,098,846
Additions	-	45,500	1,139,000	181,700	-	6,690,000	8,056,200	-	-	-	-	-	8,056,200
Disposals	-	-	-	-	-	(8,035,337)	(8,035,337)	-	-	-	(585,000)	(585,000)	(8,620,337)
Written off during the year	(39,806,466)	-	-	-	-	-	(39,806,466)	-	-	-	-	-	(39,806,466)
Balance as at 30 June 2018	25,850,565	1,184,795,864	57,283,987	50,322,295	13,342,983	26,849,106	1,358,444,800	66,667,045	120,178	272,541	4,223,679	71,283,443	1,429,728,243
Balance as at 1 July 2018	25,850,565	1,184,795,864	57,283,987	50,322,295	13,342,983	26,849,106	1,358,444,800	66,667,045	120,178	272,541	4,223,679	71,283,443	1,429,728,243
Additions	-	-	-	756,783	-	-	756,783	-	-	-	-	-	756,783
Disposals	-	(1,043,104)	(12,561,648)	-	(5,095,400)	(4,259,000)	(22,959,152)	-	-	-	-	-	(22,959,152)
Written off during the year	(23,656,369)	-	-	-	-	-	(23,656,369)	-	-	-	-	-	(23,656,369)
Balance as at 30 June 2019	2,194,196	1,183,752,760	44,722,339	51,079,078	8,247,583	22,590,106	1,312,586,062	66,667,045	120,178	272,541	4,223,679	71,283,443	1,383,869,505
Depreciation and impairment													
Balance as at 1 July 2017	32,284,201	831,173,502	52,563,339	49,259,199	12,313,658	26,325,335	1,003,919,234	45,505,888	108,304	272,541	4,808,679	50,695,412	1,054,614,646
Charge for the year	5,522,325	56,851,062	1,929,206	518,835	240,362	1,490,660	66,552,451	3,975,612	10,083	-	-	3,985,695	70,538,146
On disposals	-	-	-	-	-	(6,515,337)	(6,515,337)	-	-	-	(585,000)	(585,000)	(7,100,337)
Written off during the year	(21,504,237)	-	-	-	-	-	(21,504,237)	-	-	-	-	-	(21,504,237)
Balance as at 30 June 2018	16,302,289	888,024,564	54,492,545	49,778,034	12,554,020	21,300,658	1,042,452,111	49,481,500	118,387	272,541	4,223,679	54,096,107	1,096,548,217
Balance as at 1 July 2018	16,302,289	888,024,564	54,492,545	49,778,034	12,554,020	21,300,658	1,042,452,111	49,481,500	118,387	272,541	4,223,679	54,096,107	1,096,548,217
Charge for the year	2,385,554	46,881,229	588,748	490,556	144,061	899,980	51,390,128	3,877,681	1,791	-	-	3,879,472	55,269,600
On disposals	-	(820,010)	(12,265,776)	-	(4,460,820)	(2,134,600)	(19,681,206)	-	-	-	-	-	(19,681,206)
Written off during the year	(16,737,904)	-	-	-	-	-	(16,737,904)	-	-	-	-	-	(16,737,904)
Impairment	-	428,190	-	-	-	-	428,190	91,153	-	-	-	91,153	519,343
Balance as at 30 June 2019	1,949,939	934,513,973	42,815,517	50,268,590	8,237,261	20,066,038	1,057,851,319	53,450,334	120,178	272,541	4,223,679	58,066,732	1,115,918,050
Carrying value													
At 30 June 2018	9,548,276	296,771,300	2,791,442	544,261	788,963	5,548,448	315,992,689	17,185,545	1,791	-	-	17,187,336	333,180,026
At 30 June 2019	244,257	249,238,787	1,906,822	810,488	10,322	2,524,068	254,734,743	13,216,711	-	-	-	13,216,711	267,951,455
Depreciation rate (% per annum)	20%	4.02% - 10%	10%	33%	10%	20%	6.67% - 10%	10%	33%	20%	20%	20%	20%

6.1 Leasehold improvements and plant and machinery are located at the facility as mentioned in 1.1 to these financial statements.

6.2 The depreciation charge for the year has been allocated as follows:

	Note	2019 Rupees	2018 Rupees
Cost of production	23	50,758,910	60,826,674
Administrative and selling expenses	24	4,510,690	9,711,472
		<u>55,269,600</u>	<u>70,538,146</u>

6.3 Cost of assets as at 30 June 2019 include fully depreciated assets amounting to Rs. 485.9 million (2018: Rs. 447.10 million).

7 Intangible assets

	2019				
	Rupees		Rupees		Book value as at 30 June 2019
	Cost as at 01 July 2018	Additions/ (deletions) 30 June 2019	Rate %	Accumulated amortization as at 01 July 2018	Amortization charge for the year 30 June 2019
Computer software	422,000	-	20% - 50%	422,000	422,000
Licenses	4,000,000	-	6.67%	2,690,254	266,808
	<u>4,422,000</u>	<u>-</u>		<u>3,112,254</u>	<u>266,808</u>
					<u>3,379,062</u>
					<u>1,042,938</u>

	2018				
	Rupees		Rupees		Book value as at 30 June 2018
	Cost as at 01 July 2017	Additions/ (deletions) 30 June 2018	Rate %	Accumulated amortization as at 01 July 2017	Amortization charge for the year 30 June 2018
Computer software	422,000	-	20% - 50%	422,000	422,000
Licenses	4,000,000	-	6.67%	2,423,446	266,808
	<u>4,422,000</u>	<u>-</u>		<u>2,845,446</u>	<u>266,808</u>
					<u>3,112,254</u>
					<u>1,309,746</u>

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

8 Deferred taxation

Deferred tax (liability) / asset comprises temporary differences relating to:

	2019 Rupees	2018 Rupees
Accelerated tax depreciation allowances	(13,981,809)	(11,810,406)
Unused tax losses and others	13,981,809	11,810,406
	-	-

The Company has unused tax losses (including both business and depreciation losses) amounting to Rs. 1,434 million as at 30 June 2019. The deferred tax assets has not been recorded on unused tax losses due to uncertain future taxable profits. Under the Income Tax Ordinance 2001, the Company can carry forward business losses up to 6 years.

9 Trade debts	Note	2019 Rupees	2018 Rupees
<u>Considered good</u>			
<i>Unsecured:</i>			
Related parties	9.1	492,324	637,124
Others		256,152,177	264,223,798
		256,644,501	264,860,922
Less: Provision for expected credit losses (ECL)	9.3	(215,669,480)	(165,494,871)
		40,975,021	99,366,051

9.1 The balances due from related parties are as follows:

First Capital Securities Corporation Limited	-	341,100
First Capital Equities Limited	491,824	295,524
Pace Super Mall	500	500
	492,324	637,124

9.2 Maximum aggregate outstanding balance at anytime during the year from First Capital Equities Limited and Pace Super Mall is Rs. 0.491 million and Rs. 500 respectively.

9.3 The movement in provision for loss allowance under IFRS 9 and IAS 39 is as follows:

	Note	2019 Rupees	2018 Rupees
Balance at 01 July		165,494,871	136,406,165
Charge during the year (under IAS 39)		-	29,088,706
Effect of initial application of IFRS 9 as at 01 July 2018 (note 4.1)		9,161,665	-
Loss allowance under expected credit loss - IFRS 9	24	41,012,944	-
Balance at 30 June		215,669,480	165,494,871

10 Advances, prepayments and other receivable

Advances to suppliers - unsecured, considered good		-	10,000
Advances to staff - unsecured, considered good	10.1	1,737,982	2,765,137
Prepayments		-	564,902
Other receivables- unsecured		10,524,914	13,095,277
		12,262,896	16,435,316
Less: Effect of initial application of IFRS 9 as at 01 July 2018 (note 4.1)	10.2	(10,524,915)	-
		1,737,981	16,435,316

10.1 This includes advance amounting to Rs. Nil (2018: Rs. 0.084 million) given to executive employees of the Company.

10.2 The movement in provision for expected credit loss is as follows:

	2019 Rupees	2018 Rupees
Effect of initial application of IFRS 9 as at 01 July 2018 (note 4.1)	10,524,915	-
Charged during the year	-	-
Balance at 30 June	10,524,915	-

	Note	2019 Rupees	2018 Rupees
11 Cash and bank balances			
Cash in hand		1,435	67,222
<u>Cash at bank</u>			
Local currency			
- Current accounts		15,710	214,629
Markup based deposits with conventional banks			
- Deposit and saving accounts	11.1	520,319	388,758
		536,029	603,387
Foreign currency - current account		50,754	40,017
		588,218	710,626

11.1 These carry return at the rate of 2.80% to 5.50% (2018: 3.50% to 4.50%) per annum.

12 Share capital

12.1 Authorized share capital

	2019 (Number of shares)	2018 (Number of shares)	2019 Rupees	2018 Rupees
Ordinary shares of Rs. 10 each	210,000,000	210,000,000	2,100,000,000	2,100,000,000

12.2 Issued, subscribed and paid up capital

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

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

	2019		2018	
	Percentage of holding	Number of shares	Percentage of holding	Number of shares
First Capital Securities Corporation Limited	25.31%	45,264,770	25.31%	45,264,770
First Capital Equities Limited	8.01%	14,327,500	7.77%	13,893,000

12.4 Directors hold 4,200 (2018: 4,200) ordinary shares comprising 0.002% of total paid up share capital of the Company.

13 Share premium reserve

The share premium reserve can be utilized by the Company only for the purposes specified in section 81(3) of the Companies Act, 2017.

14	Long term finance	Note	2019 Rupees	2018 Rupees
	Long term finance - unsecured	14.1	<u>264,756,697</u>	<u>248,587,697</u>

- 14.1 This represents unsecured loan obtained from WTL Services (Private) Limited an associated company. This loan is repayable in January 2022. This carries mark-up at the rate of three months KIBOR plus 3% per annum (30 June 2018: three months KIBOR plus 3% per annum), payable on demand. During the year WTL Services (Private) Limited has provided Rs. 16.17 million to the Company to meet its cash flow needs.

15 Deferred liability

15.1 Gratuity

The latest actuarial valuation of the Company's defined benefit plan was conducted on 30 June 2019 using projected unit credit method. Details of obligation for defined benefit plan is as follows;

	Note	2019 Rupees	2018 Rupees
The amount recognised in the balance sheet is as follows:			
Present value of defined benefit obligation	15.2	<u>26,459,530</u>	<u>31,956,709</u>
15.2 Movement in the present value of defined benefit obligation:			
Balance at beginning of the year		31,956,709	33,218,002
Current service cost	15.3	4,413,727	4,797,713
Interest cost	15.3	2,628,183	2,587,478
Benefits due but not paid		(11,349,766)	(10,490,540)
Actuarial (gain) / loss for the year	15.5	<u>(1,189,323)</u>	<u>1,844,056</u>
Balance at end of the year		<u>26,459,530</u>	<u>31,956,709</u>

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

	2019 Rupees	2018 Rupees
Current service cost	4,413,727	4,797,713
Interest cost	2,628,183	2,587,478
Net charge to profit and loss	<u>7,041,910</u>	<u>7,385,191</u>

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

Current service cost	3,483,215	4,413,727
Interest cost	3,687,509	3,003,397
Net charge to profit and loss	<u>7,170,724</u>	<u>7,417,124</u>

15.5 Remeasurement of planned obligation

Actuarial loss from changes in financial assumptions	460,723	93,444
Experience adjustments	(1,650,046)	1,750,612
	<u>(1,189,323)</u>	<u>1,844,056</u>

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

	2019	2018
Discount rate	10.00%	9.25%
Discount rate used for year end obligation	14.50%	10.00%
Expected per annum growth rate in salaries	12.50%	8.00%
Expected mortality rate	SLIC (2001-2005) Setback 1 year	SLIC (2001-2005) Setback 1 year

As at 30 June 2019, the weighted average duration of the defined benefit obligation was 10 years (2018: 10 years).

15.7 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2019 would have been as follows:

<u>Assumptions</u>	<u>Present value of defined benefit obligation due to</u>	
	<u>Increase in assumptions</u> Rupees	<u>Decrease in assumptions</u> Rupees
Discount rate (100 bps change)	23,982,734	29,366,324
Salary increase (100 bps change)	29,449,875	23,871,135

	<i>Note</i>	<u>2019</u> Rupees	<u>2018</u> Rupees
16 Trade and other payables			
Creditors	16.1	146,168,733	125,596,973
Accrued liabilities		213,349,750	180,360,026
Security deposits		122,500	8,122,500
Advance from customer		-	9,403,852
Sales tax payable - net		16,506,967	17,244,755
Gratuity due but not paid		71,916,513	60,566,746
Withholding tax payable		79,848,665	73,571,813
		<u>527,913,128</u>	<u>474,866,665</u>

16.1 Creditors include Rs. 9.92 million (2018: Rs. 5.15 million) and Rs. 7.89 million (2018: Nil) payable to World Press (Private) Limited and Pace Pakistan Limited, respectively, the related parties.

	<i>Note</i>	<u>2019</u> Rupees	<u>2018</u> Rupees
17 Contract Liability			
Advance from customer	17.1	<u>8,498,583</u>	-

17.1 This represents advance received from customers for future sales of goods / services. The balance amounting to Rs. 9.4 million was classified as advance from customer in trade and other payables as at 30 June 2018 and reclassified to contract liability as at 01 July 2018, pursuant to adoption of IFRS 15 as explained in note 4.1 to the financial statements.

	<i>Note</i>	<u>2019</u> Rupees	<u>2018</u> Rupees
18 Accrued mark-up			
<i>Mark-up based borrowings:</i>			
Long term finance - unsecured	14.1	87,835,342	54,047,206
Running finance	18.1	79,904,287	64,416,834
Finance lease	18.2	849,544	849,544
		<u>168,589,173</u>	<u>119,313,584</u>

18.1 This represents overdue markup and other charges on running finance facility from Faysal Bank Limited (refer note 19.1 for details).

18.2 This represents overdue markup on finance lease facility from Orix Leasing Pakistan Limited (refer note 20 for details).

	Note	2019 Rupees	2018 Rupees
19 Short term borrowings			
<u>Secured</u>			
<i>Mark-up based borrowings from conventional banks:</i>			
Running finance	19.1	<u>48,000,000</u>	<u>48,000,000</u>

- 19.1 The Company obtained running finance facility, of Rs. 50 million, from Faysal Bank Limited under mark-up arrangements for working capital requirement. The said facility was expired on 28 January 2012 and the Company had not paid the principal and markup on due date. Accordingly Faysal Bank Limited filed a suit against the Company for recovery of Rs. 69.30 million at Lahore High Court which was fully recorded in annual audited financial statements for the year ended 30 June 2017. During the year 2015, the case was decided against the Company as the Lahore High Court through its order dated 20 November 2015 directed that an amount of Rs. 54.16 million along with the cost of fund as contemplated by section 3 of the Financial Institutions (Recovery of Finances) Ordinance 2001 is to be paid by the Company through sale of the hypothecated goods and assets of the Company, the attachment and auction of the other assets of the Company and any other mode which the court deems appropriate. The Company being aggrieved filed the regular first appeal dated 09 March 2016 in Honorable Lahore High Court.

However, during the last year the Company re-negotiated with Faysal Bank Limited and the loan was rescheduled into a long term loan. As per restructuring terms and conditions, the outstanding principal of Rs. 50 million and related markup of Rs. 8 million were repayable in 24 unequal quarterly installments started from 31 December 2017 and the remaining overdue markup of Rs. 11 million already recorded by the Company was waived off by Faysal Bank Limited. The principal amount of outstanding loan of Rs. 50 million carried mark up at three month KIBOR or cost of fund of Faysal Bank Limited, whichever is lower, which was payable quarterly in arrears and the overdue markup of Rs. 8 million was interest free.

As per the settlement agreement with Faysal Bank Limited, the Company was required to pay installments of principal of Rs. 50 million and accrued markup of Rs. 8 million as per the repayment schedule and provide fresh security in the form of registered exclusive mortgage over 9 shops located at Pace Pakistan, 96-B/I, Gulberg II, Lahore. However subsequent to the restructuring, the Company could not pay installments relating to principal and accrued markup on due dates and even within the grace period of 90 days as allowed by Faysal Bank Limited and remained unable to provide fresh security as described earlier. As per the settlement agreement, this non-compliance was considered as event of default and as a consequence of default the Company was bound to make immediate payment of the entire outstanding amount with up to date markup along with additional amount aggregating to Rs. 64.41 million. Accordingly, the outstanding principal amount of Rs. 48 million was classified as short term borrowing last year and total markup of Rs. 64.41 million was classified as accrued markup. Further Company was required to pay markup at the rate of 3MK+ 2%. During the year, the Company recognized further interest expense of Rs. 15.48 million in respect of this loan.

This rescheduled loan is secured by way of exclusive charge over all present and future, current assets of Rs. 80 million and future fixed assets of Rs. 50 million, respectively.

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20 Liabilities against assets subject to finance lease

The Company defaulted in repayment of lease liability after rescheduling of the facility from Orix Leasing Pakistan Limited. As per revised terms, the facility was payable by 30 June 2013. Interest was charged at the rate of 18.75% (2018: 18.75%) per annum. The detail of outstanding balance is as follows:

	2019 Rupees	2018 Rupees
Principal overdue	6,438,000	6,438,000
Additional lease rental on over due payments	17,137,509	14,477,555
	<u>23,575,509</u>	<u>20,915,555</u>

Under the terms of the agreements, the Company has an option to acquire the assets at end of the respective lease term and the Company intends to exercise the option. In case of default in payment of installments the Company is also liable to pay additional lease rental on overdue payments at the rate of 0.1% per day. The Company has not paid the principal and markup on due date and has accounted for additional lease rentals at the rate of 0.1% per day on overdue payments as per the terms of the agreement. During the year, on 15 October 2018, Orix Leasing Pakistan Limited filed the suit against Company for recovery of principal and mark up amounting to Rs. 24 million and the related liability has already been booked in these financial statements.

21 Contingencies and commitments

21.1 Contingencies

- 21.1.1 In the year 2010, the Assistant Commissioner of Inland Revenue Lahore passed an order against the Company for alleged short payment of Rs. 6.87 million under section 11(2) & 36(1) of Sales Tax Act, 1990 and imposed a penalty equivalent to the amount of original alleged short payment. The Company being aggrieved by the order of Assistant Commissioner filed an appeal before Commissioner Inland Revenue Appeals-III Lahore. The Commissioner Appeals set aside the appeal of the Company with directions to the assessing officer. Subsequently the Company filed an appeal in Income Tax Appellate Tribunal Lahore. The learned Appellate Tribunal also set aside the appeal for denovo proceeding. No fresh proceedings have yet been started by Taxation officer. The management believes that there will be no adverse financial impact on the Company.
- 21.1.2 The previous land lord filed a suit against the Company for the recovery of unpaid rent amounting to Rs. 7 million and damages of Rs. 10 million in Sindh High Court which is pending adjudication. The management after consultation with its legal counsel is confident that the case will be decided in favor of the Company. However being prudent the Company has recorded a liability to the extent of unpaid rent.
- 21.1.3 Two petitions are pending in the Sindh High Court filed by Axact (Private) Limited against the Company and Sheharyar Taseer wherein they have claimed recovery for damages of Rs. 14.5 million and Criminal Revision Application U/s 439 section 561-A Criminal Procedure Code, 1898. The management is confident that the case will be decided in favor of the Company, accordingly no provision is recorded in these financial statements.
- 21.1.4 A petition is pending before Sindh High Court filed by JS Bank Limited against the Company wherein JS Bank Limited have claimed recovery of damages of Rs. 5 billion under the Defamation Ordinance, 2002. The case is pending adjudication and the management is confident that the case will be decided in favor of the Company, accordingly no provision is recorded in these financial statements.

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21.1.5 Different ex-employees of the Company filed suits against the Company for recovery of unpaid salaries and damages aggregating to Rs. 68.502 million. The management of the Company believes that the liability of the Company is limited to actual pending final settlement amount, Accordingly the related provision to the extent of actual final settlements, amounting to Rs. 31.89 million, has been recorded in these financial statements.

21.2 Commitments

There was no commitments as at 30 June 2019 (2018: Nil).

	2019 Rupees	2018 Rupees
22 Revenue - net		
Advertisement	131,899,214	300,270,588
Newspaper	39,328,514	39,995,503
Outsourcing fee and other services	51,657,401	88,834,176
	<u>222,885,129</u>	<u>429,100,267</u>
<i>Less:</i>		
Sales tax	189,394	15,032,031
Commission and discounts	45,529,908	59,180,339
	<u>45,719,302</u>	<u>74,212,370</u>
	<u>177,165,827</u>	<u>354,887,897</u>

22.1 Disaggregation of revenue

Product wise disaggregation of gross revenue is as follows:

Advertisement

- Electronic media	1,894,540	113,856,209
- Print media	130,004,674	186,414,379
Newspaper	39,328,514	39,995,503
Outsourcing fee and other services	51,657,401	88,834,176
	<u>222,885,129</u>	<u>429,100,267</u>

Customer wise disaggregation of gross revenue is as follows:

Advertisement

- Agency	96,157,278	175,471,981
- Direct clients	35,741,936	124,798,607
Newspaper		
- Agency	39,328,514	39,995,503
Outsourcing fee and other services		
- Direct clients	51,657,401	88,834,176
	<u>222,885,129</u>	<u>429,100,267</u>

22.2 Out of the total contract liability as at 01 July 2018, an amount of Rs. 6.125 million is recognized as revenue during the current year.

23	Cost of production	Note	2019 Rupees	2018 Rupees
	Salaries, wages and other benefits	23.1	78,996,997	114,094,194
	Paper consumed		28,629,998	44,070,192
	Stores and spare parts consumed		13,370,670	27,552,019
	Printing charges		14,881,458	9,395,835
	Programming and content cost		30,260	13,927,864
	Transmission and up-linking cost		12,600,414	26,086,119
	Insurance		133,412	305,838
	News agencies' charges		210,000	503,333
	Repairs and maintenance		236,290	1,132,917
	Utilities		5,724,736	12,890,825
	Freight and carriage		1,541,536	1,624,589
	Depreciation	6.2	50,758,910	60,826,674
	Amortization of intangibles	7.1	266,808	266,808
	Others		1,554,875	2,973,710
			<u>208,936,364</u>	<u>315,650,917</u>

23.1 These include Rs. 3.07 million (2018: Rs. 3.37 million) in respect of gratuity expense for the year.

24	Administrative and selling expenses	Note	2019 Rupees	2019 Rupees
	Salaries, wages and other benefits	24.1	41,637,227	72,947,736
	Rent, rates and taxes		23,294,540	14,113,456
	Communications		2,713,011	5,581,890
	Vehicle running and maintenance		5,195,958	8,141,392
	Marketing, promotion and distribution		15,310,531	28,631,698
	Legal and professional		2,163,622	2,822,939
	Insurance		244,511	489,006
	Utilities		2,306,913	5,253,381
	Printing and stationary		1,101,420	2,385,179
	Entertainment		2,830,643	6,865,727
	Travel and conveyance		2,007,366	6,287,538
	Repairs and maintenance		1,948,471	3,822,167
	Provision for doubtful debts	9.3	-	29,088,706
	Fee and subscriptions		3,637,814	1,018,348
	Postage and courier		223,504	508,127
	Newspapers and periodicals		381,400	466,190
	Auditors' remuneration	24.2	2,028,750	1,525,000
	Depreciation	6.2	4,510,690	9,711,471
	Others		6,756,832	10,162,531
			<u>118,293,203</u>	<u>209,822,482</u>

24.1 Salaries, wages and other benefits include Rs. 3.97 million (2018: Rs. 4.01 million) in respect of gratuity expense for the year.

24.2	Auditors' remuneration	2019 Rupees	2018 Rupees
	Statutory audit fee	1,390,000	990,000
	Half yearly review fee	412,500	350,000
	Out of pocket expenses	226,250	185,000
		<u>2,028,750</u>	<u>1,525,000</u>

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25	Other income	Note	2019 Rupees	2018 Rupees
	<u>Income from financial assets</u>			
	- Markup from deposits with conventional banks			
	Interest income on bank deposits		21,602	15,715
	<u>Income from non-financial assets</u>			
	Gain on disposal of property, plant and equipment		7,999,504	4,859,639
	Liabilities no longer payable written back		-	20,025,769
	Scrap sales		4,073,738	6,741,352
	Rental income from property on sub-lease - net		-	5,507,574
	Rental income from plant and machinery		1,339,400	-
	Miscellaneous income		22,483	6,886
			<u>13,456,727</u>	<u>37,156,935</u>
26	Finance cost			
	Long term finances	14.1	33,788,136	19,121,605
	Short term borrowing	19.1	15,487,466	45,201,172
	Additional lease rental on overdue lease liability		2,659,954	2,659,966
	Bank charges		522,132	640,647
			<u>52,457,688</u>	<u>67,623,390</u>
27	Other expenses			
	Fixed assets written off		6,918,465	18,302,229
	Advance to staff written off		5,972,761	29,000
	Impairment on plant and machinery		519,342	-
	Other receivables written off		200,000	-
			<u>13,610,568</u>	<u>18,331,229</u>
28	Taxation			
	Current tax		2,479,183	6,711,425
	Prior year tax		(1,661,272)	3,176,968
			<u>817,911</u>	<u>9,888,393</u>
28.1	Relationship between tax expense and accounting loss			
	Loss before taxation		<u>(243,688,213)</u>	<u>(219,383,186)</u>
	Tax calculated at the rate of 29% / 30%		(70,669,582)	(65,814,956)
	Tax effect of:			
	- minimum tax		891,521	690,820
	- effect of final tax regime		51,064,595	62,560,573
	- prior year tax		(1,661,272)	3,176,968
	- deferred tax asset not recognized		21,192,649	9,274,988
			<u>817,911</u>	<u>9,888,393</u>

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		2019	2018
29 Loss per share - basic and diluted			
Loss after taxation	<i>Rupees</i>	<u>(244,506,124)</u>	<u>(229,271,579)</u>
Weighted average number of ordinary shares	<i>Number</i>	<u>178,851,010</u>	<u>178,851,010</u>
Loss per share - basic and diluted	<i>Rupees</i>	<u>(1.37)</u>	<u>(1.28)</u>

Basic earning per share has been calculated by dividing the profit attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the year.

29.1 There is no dilutive effect on the basic earnings per share of the Company.

	<i>Note</i>	2019 Rupees	2018 Rupees
30 Cash used in operations			
Loss before taxation		(243,688,213)	(219,383,186)
<i>Adjustments for:</i>			
Depreciation	6.2	55,269,600	70,538,146
Amortization of intangibles	7	266,808	266,808
Provision for doubtful debts	9.3	-	29,088,706
Advance to staff written off	27	5,972,761	18,331,229
Other receivable written off		200,000	-
Fixed asset written off		6,918,465	-
Impairment of property, plant and equipment		519,342	-
Liabilities no longer payable written back	25	-	(20,025,769)
Gain on disposal of property, plant and equipment	25	(7,999,504)	(4,859,639)
Provision for retirement benefits	15.3	7,041,910	7,385,191
Finance cost	26	52,457,688	67,623,390
Operating loss before working capital changes		<u>(123,041,143)</u>	<u>(51,035,124)</u>

Changes in :

Stores and spare parts	781,780	839,817
Trade debts	49,229,366	3,564,316
Advances, prepayments and other receivables	(2,000,341)	(11,530,259)
Long term deposit	(209,764)	212,240
Trade and other payables	50,195,279	10,688,278
	<u>97,996,320</u>	<u>3,774,392</u>

Cash used in generated from operations	<u>(25,044,823)</u>	<u>(47,260,732)</u>
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31 Transactions with related parties

Related parties comprises of associated companies, directors, key management personnel and other companies where directors have control. Balances and transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Name of parties	% of shareholding	Nature of relationship	Nature of transactions	Note	2019		2018	
					Transactions during the year	Closing balance	Transactions during the year	Closing balance
					Rupees			
First Capital Securities Corporation Limited	25.31%	Other related party	Sale of services Advance received against advertisement Receivable against advertisement Advance against advertisement		59,800 800,000 - -	-	52,000 - - -	- 341,100 -
Pace Pakistan Limited	0%	Other related party	Sale of services Rent expense Payments made during the year - net Payable against purchase of services		59,800 14,147,676 6,197,479 -	-	5,272,445 12,861,528 -	- -
Pace Barka Properties Limited	0%	Other related party	Building rent Sale of services		- -	-	5,580,438 4,184,299	- -
First Capital Investments Limited	0%	Other related party	Advance against advertisement		-	870,180	-	870,180
World Press (Private) Limited	0%	Other related party	Sale of services Funds received during the year - net Payable at the year end		- 4,765,000	-	1,646,730 -	- 5,159,614
First Capital Equities Limited	8.01%	Other related party	Sale of services Receivable against advertisement Payable against printing services		196,300 - -	-	31,200 -	295,521 39,600
Pace Super Mall	0%	Other related party	Receivable against advertisement		-	500	-	500
WTL Services (Private) Limited	0%	Other related party	Interest on loan Markup payable Loan payable		33,788,136 - -	-	19,121,605 -	- 54,047,200 248,587,697
Shehryar Ali Taseer	0.0003%	Key management personnel (Chief Executive director)	Remuneration Remuneration payable	31.1	13,000,000 -	26,209,242	16,532,020 -	19,964,720
Shehribano Taseer	0.0003%	Key management personnel (Executive director)	Remuneration Remuneration payable	31.1	6,500,000 -	23,813,391	6,500,000 -	18,634,900
Raja Sohail Qurban	0%	Key Management Personnel	Remuneration Remuneration payable	31.1	1,211,097 -	1,662,992	4,669,715 -	1,925,690
Key Management Personnel	0%	Key Management Personnel	Remuneration Remuneration payable	31.1	16,261,839 -	2,621,844	22,449,544 -	2,172,100

31.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including the Chief financial Officer, Chief Executive Officer, Directors, Company Secretary and Head of Departments to be its key management personnel.

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32 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the chief executive officer, directors and executives of the Company are as follows:

	Directors							
	Chief Executive Officer		Executive Director		Non Executive Director		Executives	
	2019	2018	2019	2018	2019	2018	2019	2018
	----- Rupees -----							
Managerial remuneration	8,000,400	8,000,400	4,000,200	4,000,200	-	-	9,664,796	18,170,305
Housing allowance	3,200,400	3,200,400	1,600,200	1,600,200	-	-	2,995,982	6,114,252
Utilities	799,200	799,200	399,600	399,600	-	-	748,153	1,526,844
Bonus	-	3,532,020	-	-	-	-	-	3,532,020
Provision for gratuity	1,000,000	1,000,000	500,000	500,000	-	-	2,089,588	1,910,465
Reimbursable expenses	-	-	-	-	-	-	763,320	803,031
	13,000,000	16,532,020	6,500,000	6,500,000	-	-	16,261,839	32,056,917
Number of persons	1	1	1	1	5	5	5	8

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

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33.1 Reportable segments

The Company has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

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

The management reviews internal management reports of each division.

33.2 Information about reportable segments

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

	Print media	Electronic media	Total
	----- Rupees -----		
For the year ended 30 June 2019			
Turnover - net	175,827,048	1,338,779	177,165,827
Cost of production	(175,586,029)	(33,350,335)	(208,936,364)
Gross loss	241,019	(32,011,556)	(31,770,537)
Administrative expenses	(109,334,076)	(8,959,127)	(118,293,203)
Expected credit loss on financial assets	(26,579,365)	(14,433,579)	(41,012,944)
Other expenses	(5,778,484)	(7,832,084)	(13,610,568)
	<u>(141,450,906)</u>	<u>(63,236,346)</u>	<u>(204,687,252)</u>
Finance cost			(52,457,688)
Other income			13,456,727
Loss before taxation			<u>(243,688,213)</u>
Taxation			(817,911)
Loss after taxation			<u><u>(244,506,124)</u></u>

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Print media	Electronic media	Total
----- Rupees -----		

For the year ended 30 June 2018

Turnover - net	239,964,154	114,923,743	354,887,897
Cost of production	(227,579,998)	(88,070,919)	(315,650,917)
Gross profit	12,384,156	26,852,824	39,236,980
Administrative expenses	(133,172,756)	(76,649,726)	(209,822,482)
Other expenses	-	(18,331,229)	(18,331,229)
	(120,788,600)	(68,128,131)	(188,916,731)
Finance cost			(67,623,390)
Other income			37,156,935
Loss before taxation			(219,383,186)
Taxation			(9,888,393)
Loss after taxation			(229,271,579)

33.2.1 The revenue reported above represents revenue generated from external customers. All the segment operating activities, revenue, customers and segment assets are located in Pakistan.

33.2.2 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 22 to these financial statements.

33.2.3 Revenue from major customers

Revenue from major customers of Print media segment amounts to Rs.96.26 million out of total print media segment revenue.

Revenue from major customers of Electronic media segment represents an aggregate amount of Rs. 1.02 million out of total Electronic media segment revenue.

33.3 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 4 to these financial statements.

33.4 All non-current assets of the Company at 30 June 2019 are located and operating in Pakistan.

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33.5 Segment assets and liabilities

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

	Print media	Electronic media	Total
	----- Rupees -----		
As at 30 June 2019			
Segment assets for reportable segments	281,874,640	37,224,213	319,098,853
Unallocated corporate assets			7,093,265
Total assets as per balance sheet			<u>326,192,118</u>
Segment liabilities	327,513,603	128,483,012	455,996,615
Unallocated segment liabilities			611,796,005
Total liabilities as per balance sheet			<u>1,067,792,620</u>
As at 30 June 2018			
Segment assets for reportable segments	367,313,297	91,063,724	458,377,021
Unallocated corporate assets			6,666,068
Total assets as per balance sheet			<u>465,043,089</u>
Segment liabilities	289,406,102	124,893,817	414,299,919
Unallocated corporate liabilities			529,340,291
Total liabilities as per balance sheet			<u>943,640,210</u>

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

- all assets are allocated to reportable segments other than advance income tax; and
- all liabilities are allocated to reportable segments other than long term finance, deferred liability, gratuity due but not paid, liabilities against assets subject to finance lease, short term borrowings and accrued markup are not allocated to reporting segments as these are managed by the Company.

33.7 Other segment information

	Print media	Electronic media	Total
	----- Rupees -----		
For the year ended 30 June 2019			
Capital expenditure	756,783	-	756,783
Depreciation, amortization	33,035,184	22,501,224	55,536,408
Non-cash items other than depreciation, amortization and finance cost	12,270,394	382,580	12,652,974
For the year ended 30 June 2018			
Capital expenditure	7,466,500	589,700	8,056,200
Depreciation and amortization	34,732,711	36,072,243	70,804,954
Non-cash items other than depreciation amortization and finance cost	6,686,037	15,848,490	22,534,527

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34 Financial instruments

The Company's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk

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

34.1 Risk management framework

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

Risk management systems are reviewed regularly by the audit committee to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

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

34.2 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the financial viability of all counterparties is regularly monitored and assessed. Outstanding customer receivables are regularly monitored.

34.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	Note	2019 Rupees	2018 Rupees
Long term deposits		6,748,807	6,539,043
Trade debts	9	40,975,021	99,366,051
Other receivables	10	1,737,981	13,095,277
Bank balances	11	586,783	643,404
		<u>50,048,592</u>	<u>119,643,775</u>

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34.2.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	Note	2019 Rupees	2018 Rupees
Customers	9	40,975,021	99,366,051
Banking companies and financial institutions	11	586,783	643,404
Others		8,486,788	19,634,320
		<u>50,048,592</u>	<u>119,643,775</u>

34.2.3 Credit quality and impairment of financial assets

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers and utility Companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

a) Long term deposits

Long term deposits represent mainly deposit with Pak Sat International (Private) Limited. The management believes that no impairment allowance is necessary in respect of these long term deposits.

b) Trade debts

These include customers which are counter parties to trade debts. The Company recognises ECL for trade debts using the simplified approach as explained in note 4.8. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June 2019 (on adoption of IFRS 9) was determined as follows:

	2019		2018	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
	Rupees	Rupees	Rupees	Rupees
Past due (0 - 180 days)	39,923,369	(5,779,867)	85,665,598	-
Past due (180 - 360 days)	18,516,517	(11,684,999)	24,837,037	11,136,584
Past due more than 360 days	198,204,614	(198,204,614)	154,358,287	154,358,287
	<u>256,644,500</u>	<u>(215,669,480)</u>	<u>264,860,922</u>	<u>165,494,871</u>

Ageing of trade receivables from related parties is as follows:

	2019			
	0 - 90 days	91 - 120 days	121 - 365 days	More than 365 days
	Rupees			
Pace Super Mall	-	-	-	500
First Capital Equities Limited	-	-	196,300	295,524
	<u>-</u>	<u>-</u>	<u>196,300</u>	<u>296,024</u>
				<u>491,824</u>
				<u>492,324</u>

c) Other receivables

This mainly represents receivables from employees of the Company and these are secured against salaries payable to these employees. Based on the past experience, management of the Company is confident that these balances are recoverable.

d) Bank balances

The Company's exposure to credit risk against balances with various commercial banks is as follows:

	2019 Rupees	2018 Rupees
Cash at bank		
Local currency		
- Current accounts	15,710	214,629
Markup based deposits with conventional banks	520,319	388,758
- Deposit and saving accounts	536,029	603,387
Foreign currency - current account	50,754	40,017
	<u>586,783</u>	<u>643,404</u>

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The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

Banks	Rating		Rating agency	2019	2018
	Short term	Long term		Rupees	Rupees
Faysal Bank Limited	A 1 +	AA	PACRA	494,080	56,205
Habib Metropolitan Bank Ltd.	A 1 +	AA+	PACRA	6,592	983
Bank Alfalah Limited	A 1 +	AA+	PACRA	55,579	132,834
Allied Bank Limited	A 1 +	AAA	PACRA	30,532	453,382
				<u>586,783</u>	<u>643,404</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

34.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is materially exposed to liquidity risk, as due to insufficient liquidity, the Company was unable to repay the loans and lease obligations to its lenders. As explained in note 2, the Company's ability to continue as going concern is substantially dependent on its ability to successfully manage the liquidity risk.

The following are the contractual maturities of financial liabilities as on 30 June 2019:

		Carrying amount	Contracted cash flow	Up to one year or less	One to two years	More than two years
	Note					
Financial liabilities						
Long term finance	14	264,756,697	370,460,808	42,281,645	42,281,645	285,897,518
Trade and other payables	16	431,557,496	431,557,496	431,557,496	-	-
Accrued mark-up	18	168,589,173	168,589,173	168,589,173	-	-
Short term borrowing	19	48,000,000	48,000,000	48,000,000	-	-
Liabilities against assets subject to finance lease	20	23,575,509	23,575,509	23,575,509	-	-
		<u>936,478,875</u>	<u>1,042,182,986</u>	<u>714,003,823</u>	<u>42,281,645</u>	<u>285,897,518</u>

The following are the contractual maturities of financial liabilities as on 30 June 2018:

		Carrying amount	Contracted cash flow	Up to one year or less	One to two years	More than two years
	Note					
Financial liabilities						
Long term finance	14	248,587,697	333,853,277	24,361,594	24,361,594	285,130,089
Trade and other payables	16	374,646,245	374,646,245	374,646,245	-	-
Accrued mark-up	18	119,313,584	119,313,584	119,313,584	-	-
Short term borrowings	19	48,000,000	48,000,000	48,000,000	-	-
Liabilities against assets subject to finance lease	20	20,915,555	20,915,555	20,915,555	-	-
		<u>811,463,081</u>	<u>896,728,661</u>	<u>587,236,978</u>	<u>24,361,594</u>	<u>285,130,089</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

34.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk.

34.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered in foreign currency. The Company is exposed to foreign currency's assets and liabilities risk at year end.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows. The figures represent foreign currency balances after conversion in Pak Rupees using exchange rates prevailing at the balance sheet date.

Asset	2019 Rupees	2018 Rupees
Cash at bank	50,754	40,017
Net balance sheet exposure	<u>50,754</u>	<u>40,017</u>

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The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2019	2018	2019	2018
GBP to PKR	181.47	147.54	203.01	159.93
USD to PKR	140.78	113.25	160.05	121.50

Sensitivity analysis:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2019 Rupees	2018 Rupees
Effect on profit and loss		
GBP/USD	(5,075)	(4,002)

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profit.

Currency risk management

Since the maximum amount exposed to currency risk is only 0.0013% (2018: 0.000861%) of the Company's financial assets, any adverse / favorable movement in functional currency with respect to US dollar and GBP will not have any material impact on the operational results.

34.4.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2019		2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	----- Rupees -----		----- Rupees -----	
Balance with bank - deposit account	520,319	-	388,758	-
Long term finance	-	264,756,697	-	248,587,697
Short term borrowing	-	48,000,000	-	48,000,000
	520,319	312,756,697	388,758	296,587,697

Variable rate instruments

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

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

	Profit or loss before tax	
	100 bps Increase	100 bps Decrease
	----- Rupees -----	
As at 30 June 2019		
Cash flow sensitivity - Variable rate financial liabilities	(3,122,364)	3,122,364
As at 30 June 2018		
Cash flow sensitivity - Variable rate financial liabilities	(2,961,989)	2,961,989

34.4.3 Other price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark-up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments. The Company is not exposed to any other price risk.

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34.5

Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

34.5.1 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	2019					
	Carrying amount		Fair value			
	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	----- Rupees -----					
<i>Note</i>						
On-Balance sheet financial instruments						
<u>30 June 2019</u>						
<u>Financial assets not measured at fair value</u>						
Long term deposits	6,748,807	-	6,748,807	-	-	-
Trade debts	34.5.2 40,975,021	-	40,975,021	-	-	-
Other receivables	34.5.2 1,737,981	-	1,737,981	-	-	-
Cash and bank balances	34.5.2 588,218	-	588,218	-	-	-
	50,050,027	-	50,050,027	-	-	-
<u>Financial liabilities not measured at fair value</u>						
Long term finances						
Liabilities against assets subject to finance lease	34.5.2 -	264,756,697	264,756,697	-	-	-
Trade and other payables	34.5.2 -	23,575,509	23,575,509	-	-	-
Accrued mark-up	34.5.2 -	431,557,496	431,557,496	-	-	-
Short term borrowing	34.5.2 -	168,589,173	168,589,173	-	-	-
		48,000,000	48,000,000			
	-	936,478,875	936,478,875	-	-	-

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	2018				
	Carrying amount		Fair value		
	Loans and receivables at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2
					Level 3
	----- Rupees -----				
Note					

On-Balance sheet financial instruments

30 June 2018

Financial assets not measured at fair value

Long term deposits	6,539,043	-	6,539,043	-	-
Trade debts	99,366,051	-	99,366,051	-	-
Other receivables	13,095,277	-	13,095,277	-	-
Cash and bank balances	710,626	-	710,626	-	-
	119,710,997	-	119,710,997	-	-

Financial liabilities not measured at fair value

Long term finances	-	248,587,697	248,587,697	-	-
Liabilities against assets subject to finance lease	-	20,915,555	20,915,555	-	-
Trade and other payables	-	374,646,245	374,646,245	-	-
Short term borrowing	-	48,000,000	48,000,000	-	-
Accrued mark-up	-	119,313,584	119,313,584	-	-
	-	811,463,081	811,463,081	-	-

34.5.2 Fair value versus carrying amounts

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

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35 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	30 June 2019			
	Liabilities			
	Long term finances	Short term borrowings	Liabilities against assets subject to finance lease	Total
	----- Rupees -----			
Balance as at 01 July 2018	248,587,697	48,000,000	20,915,555	317,503,252
<u>Changes from financing activities</u>				
Receipts of long term finances - net of repayments	16,169,000	-	-	16,169,000
Total changes from financing cash flows	16,169,000	-	-	16,169,000
<u>Other changes</u>				
Additional lease rental on overdue lease liability	-	-	2,659,954	2,659,954
Total liability related other changes	-	-	2,659,954	2,659,954
Closing as at 30 June 2019	264,756,697	48,000,000	23,575,509	336,332,206

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30 June 2018			
Liabilities			
Long term finances	Short term borrowings	Liabilities against assets subject to finance lease	Total
----- Rupees -----			
194,187,697	50,295,520	18,435,589	262,918,806
54,400,000	-	-	54,400,000
-	(2,295,520)	-	(2,295,520)
-	-	(180,000)	(180,000)
54,400,000	(2,295,520)	(180,000)	51,924,480
-	-	2,659,966	2,659,966
-	-	2,659,966	2,659,966
248,587,697	48,000,000	20,915,555	317,503,252

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Balance as at 01 July 2017

Changes from financing activities

Receipts of long term finances - net of repayments
 Repayment of short term borrowings
 Repayment of finance lease liabilities
Total changes from financing cash flows

Other changes

Additional lease rental on overdue lease liability
Total liability related other changes

Closing as at 30 June 2018

36 Capital risk management

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

The Company's objectives when managing capital are:

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

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

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

37 Number of employees

The total average number of employees during the year and as at June 30, 2019 and 2018 respectively are as follows:

	2019	2018
	No. of employees	
Average number of employees during the year	169	381
Number of employees as at June 30	120	263

38 Date of authorization for issue

These financial statements were authorized for issue on _____ by the Board of Directors of the Company in their meeting held on _____.

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Chief Executive


Director


Chief Financial Officer