

Pace (Pakistan) Limited

Condensed Interim unconsolidated Statement of Financial Position (Un-audited)

As at 31 December 2020

		Unaudited 31 December 2020	Audited 30 June 2020			Unaudited 31 December 2020	Audited 30 June 2020
		--- (Rupees in thousand) ---				--- (Rupees in thousand) ---	
EQUITY AND LIABILITIES	<i>Note</i>			ASSETS	<i>Note</i>		
<u><i>Share capital and reserves</i></u>				<u><i>Non-current assets</i></u>			
Authorised capital	5	<u>6,000,000</u>	<u>6,000,000</u>	Property, plant and equipment	12	588,694	601,264
Issued, subscribed and paid-up capital	5	2,788,766	2,788,766	Intangible assets		3,881	4,008
Share premium	6	273,265	273,265	Investment property		1,745,251	1,745,251
Accumulated loss		<u>(2,416,922)</u>	<u>(2,464,550)</u>	Long term investments		850,321	850,321
		645,109	597,481	Long term advances and deposits		13,619	13,619
				Deferred taxation		-	-
<u><i>Non-current liabilities</i></u>						<u>3,201,766</u>	<u>3,214,463</u>
Lease liability		140,830	136,572	<u><i>Current assets</i></u>			
Long term finances - secured	7	-	-	Stock-in-trade	13	2,831,523	2,821,179
Redeemable capital - secured (non-participatory)	8	-	-	Trade debts	14	430,706	406,985
Foreign currency convertible bonds - unsecured	9	-	-	Advances, deposits, prepayments and other receivables		514,220	493,245
Deferred liabilities		<u>50,919</u>	<u>45,934</u>	Income tax refundable - net		27,604	23,845
		191,749	182,506	Cash and bank balances	15	<u>18,269</u>	<u>23,125</u>
<u><i>Current liabilities</i></u>						<u>3,822,322</u>	<u>3,768,379</u>
Contract liability		256,005	228,256				
Current maturity of long term liabilities		3,813,655	3,940,406				
Creditors, accrued and other liabilities	10	874,264	845,135				
Accrued finance cost		<u>1,243,306</u>	<u>1,189,058</u>				
		6,187,230	6,202,855				
Contingencies and commitments	<i>11</i>	<u>-</u>	<u>-</u>			<u>7,024,088</u>	<u>6,982,842</u>
		<u>7,024,088</u>	<u>6,982,842</u>				

The annexed notes from 1 to 26 form an integral part of these condensed unconsolidated interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)

For the six months ended 31 December 2020

	Note	For the half year ended		For the quarter ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		--- (Rupees in thousand) ---		--- (Rupees in thousand) ---	
Revenue	16	93,837	87,859	4,267	53,596
Cost of revenue	17	(32,508)	(70,124)	38,249	(16,043)
Gross profit		61,329	17,735	42,516	37,553
Administrative and selling expenses		(80,290)	(75,054)	(48,076)	(47,263)
Impairment loss on trade and other receivables		(6,108)	(44,188)	(6,108)	(44,188)
Other income	18	4,042	23,440	(4,988)	12,435
Loss from operations		(21,027)	(78,067)	(16,656)	(41,463)
Finance cost	19	(73,938)	(96,925)	(34,728)	(56,118)
Exchange gain / (loss) on foreign currency convertible bonds		139,352	156,053	103,102	14,497
Profit / loss before taxation		44,387	(18,939)	51,718	(83,084)
Taxation	20	(1,689)	(1,318)	(569)	39,065
Profit / loss for the period		42,698	(20,257)	51,149	(44,019)
Loss per share - basic and diluted		0.15	(0.07)	0.18	(0.16)

The annexed notes from 1 to 26 form an integral part of these condensed unconsolidated interim financial statement.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the six months ended 31 December 2020

	2020	2019
	--- (Rupees in thousand) ---	
Profit / (loss) for the period	42,698	(20,257)
<u>Other comprehensive income for the year</u>		
<i>Items that will not be reclassified to statement of profit or loss:</i>		
Remeasurement of net defined benefit liability	-	-
Total comprehensive income / loss for the year	<u>42,698</u>	<u>(20,257)</u>

The annexed notes from 1 to 26 form an integral part of these condensed unconsolidated interim financial statement.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Changes In Equity (Un-audited)

For the six months ended 31 December 2020

	Capital reserve		Revenue reserve	Total
	Issued, subscribed and paid-up capital	Share premium	Accumulated loss	
--- (Rupees in thousand) ---				
As at 01 July 2019 (audited)	2,788,766	273,265	(2,075,583)	986,448
Total comprehensive loss for the half year ended 31 December 2019				
Loss after taxation	-	-	(20,257)	(20,257)
Other comprehensive income	-	-	-	-
	-	-	(20,257)	(20,257)
Balance as at 31 December 2019 (un-audited)	2,788,766	273,265	(2,095,840)	966,191
Loss after taxation	-	-	(377,622)	(377,622)
Other comprehensive income	-	-	8,912	8,912
	-	-	(368,710)	(368,710)
Balance as at 30 June 2020 (audited)	2,788,766	273,265	(2,464,550)	597,481
Total comprehensive income for the half year ended 31 Dec 2020				
Profit after taxation	-	-	42,698	42,698
Other comprehensive income	-	-	-	-
	-	-	42,698	42,698
Balance as at 31 Dec 2020	2,788,766	273,265	(2,416,922)	645,109

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the six months ended 31 December 2020

		Half year ended	
		31 December	31 December
		2020	2019
	<i>Note</i>	--- (Rupees in thousand) ---	
<u>Cash flows from operating activities</u>			
Cash (used in) / generated from operations	21	6,376	(102,981)
Finance costs paid		(78)	-
Gratuity and leave encashment paid		-	(125)
Taxes paid		(5,448)	(7,477)
Net cash (used in) / generated from operating activities		850	(110,583)
<u>Cash flow from investing activities</u>			
Fixed capital expenditure		(2,980)	(4,659)
Proceeds from disposal of property, plant and equipment		-	1,900
Income on bank deposits received		27	37
Net cash used in investing activities		(2,953)	(2,722)
<u>Cash flow from financing activities</u>			
Long term loan paid during the period		-	(7,636)
Lease rentals paid		(2,753)	(3,100)
Net cash used in financing activities		(2,753)	(10,736)
Net decrease in cash and cash equivalents		(4,856)	(124,041)
Cash and cash equivalents - at beginning of the period		23,125	165,393
Cash and cash equivalents - at end of the period		18,269	41,352

The annexed notes from 1 to 26 form an integral part of these condensed unconsolidated interim financial statements.

Chief Executive

Director

Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2019

1 The Company and its operations

- 1.1** Pace (Pakistan) Limited ('the Company') is a public limited Company incorporated in Pakistan under the Companies ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plots and other properties and to carry out commercial, industrial and other related activities in and out of Pakistan. The registered office of the Company is situated at 2nd floor of Pace Mall, Fortress Stadium, Lahore. Furthermore, the Company is managing the following plazas:

Sr. No	Business Units	Geographical Location
1	Gulberg Plaza	124/E-1 Main Boulevard Gulberg-III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-I, M.M Alam Road, Gulberg -III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Towers	27 -H College Road Gulberg II Lahore

- 1.2** The Company has earned a profit before tax of Rs. 44.387 million during the period. As at reporting date, its current liabilities have exceeded its current assets by Rs. 2,364.9 million, and accumulated losses of the Company stood at Rs. 2,416.9 million. Furthermore, the Company has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. These conditions raise significant doubts on the Company's ability to continue as a going concern.

The management of the Company however, is continuously engaged with its lenders for settlement of Company's borrowings. The Company is also expecting to complete the Pace Tower Project by the end of next financial year and is actively engaged to find buyers for the sale of remaining floors/apartments in Pace Tower. Further, the Company has inventory in form of different properties for which the management is actively looking for buyers and has devised a strategy for sale of the inventory. The proceeds from these sales will help to improve the operating cash flows of the Company and also to settle its obligations. The Company is also engaged with its trade debtors for recovery of their outstanding balances.

The management believes that the above measures will generate sufficient financial resources for the continuing operations. Accordingly, these financial statements are prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation/settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

2 Basis of preparation and statement of compliance

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2020 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements of the Company for the six months ended 31 December 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2020. Comparative condensed interim unconsolidated statement of financial position is stated from annual audited financial statements as of 30 June 2020, whereas comparatives for condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and related notes are extracted from condensed interim unconsolidated financial statements of the Company for the six months ended 31 December 2019.

These condensed interim unconsolidated financial statements are unaudited and being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency and all financial statements presented has been rounded off to the nearest rupee, except otherwise stated.

3 Use of estimates and judgments

In preparing these condensed unconsolidated interim financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2020.

4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2020.

5 Share capital and reserves

	Un-audited 31 December 2020	Audited 30 June 2020	Un-audited 31 December 2020	Audited 30 June 2020
	--- (Rupees in thousand) ---		----- Number of shares -----	
5.1 Issued, subscribed and paid-up capital				
Ordinary shares of Rs. 10 each fully paid in cash	2,017,045	2,017,045	201,704,516	201,704,516
Ordinary shares of Rs. 10 each issued as bonus shares	771,721	771,721	77,172,088	77,172,088
	<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>

5.2 Ordinary shares of the Company held by associated undertakings are as follows:

		Un-audited 31 December 2020	Audited 30 June 2020
	Basis of relationship	(Number of shares)	
First Capital Securities Corporation Limited	Common Directorship	7,504,915	7,504,915
First Capital Equities Limited	Common Directorship	7,600,000	7,600,000
		<u>15,104,915</u>	<u>15,104,915</u>

6 Share premium

	Un-audited 31 December 2020	Audited 30 June 2020
	--- (Rupees in thousand) ---	
Share premium reserve	273,265	273,265
	<u>273,265</u>	<u>273,265</u>

This reserve can only be utilized by the Company for the purpose specified in Section 81 (2) of the Companies Act, 2017.

7 Long term finances - secured

	<i>Note</i>	Un-audited 31 December 2020	Audited 30 June 2020
		--- (Rupees in thousand) ---	
Pak Iran Joint Investment Company	7.1	66,860	66,860
		<u>66,860</u>	<u>66,860</u>
<i>Less:</i>			
Current maturity presented under current liabilities		(66,860)	(66,860)
		<u>-</u>	<u>-</u>

7.1 Pak Iran Joint Investment Company

On 28 December 2016, Pak Iran Joint Investment Company ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs. 172.31 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs. 105.45 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace M.M Alam up till repayment of the balance outstanding amount.

7.1.1 Terms of repayment

In accordance with the settlement agreement, the remaining outstanding mark-up of Rs. 66.86 million has been rescheduled and is payable over a period of 7 years with no mark-up starting from 28 December 2016 after expiry of moratorium period of 3 years, in 16 quarterly instalments. Amortized cost has been determined using effective interest rate of 6% per annum. Movement is as follows:

		Un-audited	Audited
		31 December	30 June
		2020	2020
	<i>Note</i>	--- (Rupees in thousand) ---	
As at beginning of the year		66,860	58,168
Unwinding of notional interest		-	3,556
Adjustment on account of default	<i>7.1.2.1</i>	-	5,136
As at end of the year		66,860	66,860

7.1.2 Security

The restructured amount is secured by mortgage amounting to the sum of Rs. 142.86 million on the property being piece and parcel of land located at Plot no. 96/B-1, Gulberg III, Lahore measuring 4 kanals and 112 square feet along with structures, superstructures and appurtenances including shops / counters having area measuring 20,433 square feet. The charge ranks parri passu with that of National Bank of Pakistan to the extent of Rs. 66.67 million.

7.1.2.1 Default

The moratorium period as per the rescheduling agreement ended on 31 December 2019 and the first quarterly installment was due on 01 January 2020. Company made a default in repayment of the installment and no repayment was made till 31 December 2020. Pace, through its letters dated 17 July and 07 October 2020, requested PAIR to defer the repayment plan for 24 months and subsequently offered an asset against debt swap. However, no response from PAIR is received yet. Accordingly, we have classified the total balance outstanding as current liability as per the requirements of IAS 1 "Presentation of Financial Statement". Further in line with requirements of agreement, due to default, mark up has been accrued on the outstanding amount for the period.

	Un-audited	Audited
	31 December	30 June
	2020	2020
8 Redeemable capital - secured (non-participatory)	--- (Rupees in thousand) ---	
Term finance certificates	935,571	935,571
<i>Less:</i>		
Current maturity presented under current liabilities	(935,571)	(935,571)
	<u><u>-</u></u>	<u><u>-</u></u>

8.1 Terms finance certificate

This represents term finance certificates (TFC's) listed on Lahore Stock Exchange before integration of Pakistan Stock Exchange issued for a period of 5 years. On 27 September 2010, the Company completed the restructuring of its term finance certificates. Restructuring was duly approved by majority of TFC holders holding certificates in aggregate of 51.73 %, through extraordinary resolution passed in writing. Consequent to the approval of TFC holders, addendum to the trust deed was executed between the Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Company was allowed one and a half year grace period along with an extension of four years in the tenure of TFC issue and consequently, the remaining tenure of TFC shall be six and a half years effective from 15 August 2010. The TFC's carry a mark-up of 6 months KIBOR plus 2% (2019: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During the previous year, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the Company to appraise them regarding measures taken for removal of default of payment of principal amount, markup and restructuring of the TFCs by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 has intimated the Exchange that it is currently negotiating with the TFC holders for settlement of outstanding liabilities and for relaxation in payment terms and that a settlement proposal was shared in the meeting held on 18 March 2018 with the TFC holders. However, despite the three reminders sent by the Trustee, response of the TFC holders is still pending.

The TFCs are still in the defaulter segment due to non compliance which could result in delisting of TFCs under Pakistan Stock Exchange Regulations.

		Un-audited 31 December 2020	Audited 30 June 2020
		--- (Rupees in thousand) ---	
9 Foreign currency convertible bonds - unsecured	<i>Note</i>		
Opening balance		2,895,217	2,805,535
Mark-up accrued during the year		<u>12,601</u>	<u>24,873</u>
		2,907,817	2,830,408
Exchange (gain) / loss for the year	9.2	<u>(139,352)</u>	<u>64,809</u>
		2,768,465	2,895,217
<i>Less:</i>			
Current maturity presented under current liabilities		<u>(2,768,465)</u>	<u>(2,895,217)</u>
		<u>-</u>	<u>-</u>

9.1 On 27 December 2007, BNY Corporate Trustee Services Limited incorporated in United Kingdom with its registered office at One Canada Square, London E14 5AL and the Company entered into an agreement to issue 25,000 convertible bonds of USD 1,000 each amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on 28 December 2012 at the accreted principal amount. The bonds carry a mark-up of 5.5% per annum, compounded semi-annually, accretive (up till 28 December 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds had an option to convert the bonds into equity shares of the Company at any time following the issue date till the maturity date at a price calculated as per terms of arrangement. As at 30 June 2020, USD 13 million bonds have been converted into the ordinary shares of the Company and remaining USD 12 million bonds along with related interest have not been repaid by the Company.

9.2 This represents exchange (gain) / loss arising on translation of foreign currency convertible bonds.

		Un-audited 31 December 2020	Audited 30 June 2020
		--- (Rupees in thousand) ---	
10 Creditors, accrued and other liabilities			
Trade creditors	<i>10.1</i>	248,878	264,511
Provisions and accrued liabilities		241,729	222,925
Payable to statutory bodies		99,926	141,117
Advance against sale of investment property		124,000	84,000
Security deposits	<i>10.2</i>	58,018	51,818
Rentals against investment property received in advance		18,054	9,743
Retention money		5,461	5,661
Payable to contractors		2,699	2,699
Others		75,499	62,661
		<u>874,264</u>	<u>845,135</u>

- 10.1** This includes payables to First Construction Limited (related party being a subsidiary of associate company) amounting to Rs. 0.09 million (2020: Rs. 0.09 million) under normal course of business and is interest free.
- 10.2** These represent security deposits received against rent of shops rented out in the plazas. None of these amounts is utilizable for Company or other purpose. The Company has not kept this amount in a separate bank account. The Company is in process of ensuring compliance with the requirement of section 217 of the Companies Act, 2017.

11 Contingencies and commitments

11.1 Contingencies

11.1.1 Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (2020: Rs.21.64 million).

11.1.2 On 17 October 2018, Orix Leasing Company (Plaintiff) has filed a case in banking court (VII) against the Pace (Pakistan) Limited (the Company). The plaintiff filed a suit claiming an amount of Rs. 47.10 million on account of loss in business of the plaintiff. The amount claimed by the plaintiff has already been booked in the financial statements. Currently the case is pending for hearing on 09 March, 2021. However the legal advisor of the Company is confident that there are meritorious grounds to defend the claim.

11.1.3 On 10 October 2017, the Company filed a petition against Damas (the tenant at the M.M Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 66.60 million.

The petition is pending for hearing on 02 March 2021. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the financial

11.1.3 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs. 99.89 million along with insurance premium payable amounting to Rs. 88.86 million from First Capital Group shall be settled vide sale of 4.70 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs. 57.96 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs. 40 in case the shares are not saleable in open market. The agreement was subsequently amended on 07 March 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs. 57.96 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these financial statements. The case is pending for hearing on 17 March, 2021.

11.2 Commitments

11.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited, amounts to Rs. 98.24 million (2019: Rs. 101.28 million).

11.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (2020: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Un-audited	Audited
		31 December	30 June
		2020	2020
		--- (Rupees in thousand) ---	
12	Property, plant and equipment		
	Operating fixed assets	427,167	440,226
	Capital work in progress	34,720	31,740
	Right-of-use assets	126,807	129,298
		588,694	601,264
12.1	Operating fixed assets		
	Net book value at beginning of the period	440,226	439,657
	Additions during the period	-	28,950
	Disposals during the period	-	(1,224)
	Depreciation charged during the period	(13,059)	(27,157)
	Net book value at end of the period	427,167	440,226
12.2	Right-of-use assets		
	Net book value at beginning of the period	129,298	-
	Additions during the period	-	134,835
	Disposals during the period	-	-
	Depreciation charged during the period	(2,491)	(5,537)
		126,807	129,298

		Un-audited	Audited
		31 December	30 June
		2020	2020
		--- (Rupees in thousand) ---	
13	Stock-in-trade		
		<i>Note</i>	
	Land not under development	21,600	21,600
	Land purchased for resale	930,765	930,765
	Work in progress		
	<i>Pace Tower</i>	633,828	626,269
	<i>Pace Circle</i>	702,187	699,140
	Completed units - shops	541,744	542,244
		<u>2,830,124</u>	<u>2,820,018</u>
	Stores inventory	1,399	1,161
		<u>2,831,523</u>	<u>2,821,179</u>
14	Trade debts		
	<i>Secured</i>		
	Considered good	430,706	406,985
	<i>Unsecured</i>		
	Considered doubtful	275,429	269,321
		<u>706,135</u>	<u>676,306</u>
	Less: Impairment allowance	<u>(275,429)</u>	<u>(269,321)</u>
		<u>430,706</u>	<u>406,985</u>
		Un-audited	Audited
		31 December	30 June
		2020	2020
		--- (Rupees in thousand) ---	
15	Cash and bank balances		
	Cash in hand	268	218
	<i>Cash at banks</i>		
	- Current accounts	17,590	22,358
	- Saving accounts	411	549
		18,001	22,907
		<u>18,269</u>	<u>23,125</u>

15.1 This includes Rs. 17 million (2020: Rs. 20 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

15.2 This carries profit at the rates ranging from 4% to 8% (2019: 4% to 8%) per annum.

	<i>Note</i>	Un-audited 31 December 2020	Un-audited 31 December 2019
--- (Rupees in thousand) ---			
16 Revenue			
Development services		2,342	47,583
Display of advertisements		17,524	15,166
Service charges - net	16.1	58,428	6,998
Revenue from contract with customers		78,294	69,747
Other revenue			
Rental income from lease of investment property		15,543	18,112
Total revenue		93,837	87,859

16.1 The breakup of costs against service income recorded during the period is as follows:

Service charges - net

Service charges- gross		105,089	80,261
Less: Insurance		-	798
Fuel and power		42,490	67,506
Janitorial and security charges		4,171	4,959
		(46,661)	(73,263)
		58,428	6,998

16.2 Disaggregation of revenue by:

Timing of revenue recognition

At point in time		-	-
Over time		78,294	69,747

	<i>Note</i>	Un-audited 31 December 2020	Un-audited 31 December 2019
--- (Rupees in thousand) ---			
17 Cost of revenue			
Shops and commercial buildings sold			
- at percentage of completion basis		3,665	27,492
- at completion of project basis		-	-

Stores and operating expenses

<u>28,843</u>	<u>42,632</u>
<u>32,508</u>	<u>70,124</u>

18 Other income

This represents commission income on guarantee, income from parking and storage and mark up on bank accounts.

Un-audited 31 December 2020	Un-audited 31 December 2019
--- (Rupees in thousand) ---	

19 Finance cost

Interest and mark-up on:

- <i>Long term finances - secured</i>	-	1,279
- <i>Foreign currency convertible bonds - unsecured</i>	12,601	12,226
- <i>Redeemable capital - secured (non-participatory)</i>	51,161	72,030
- <i>Interest expense on unwinding of Pak Iran Joint Investment Company</i>	-	1,731
- <i>Default markup on loan from Pak Iran Joint Investment Company</i>	3,086	-
- <i>Notional interest on lease liability</i>	7,011	8,848
	73,859	96,114

Bank charges and processing fee

79	811
73,938	96,925

22 **Transactions with related parties**

The related parties comprise of subsidiary companies, associated company, other related companies, directors of the Company and entities under common directorship and post employment benefit plans. All transactions with related parties have been carried out on mutually agreed terms and conditions. Significant transactions with related parties are as follows:

Name of Company	Relationship	Nature of transactions	2020 --- (Rupees in thousand) ---	2019
Pace Barka Properties Limited	Associated Company (equity held 24.86%)	Guarantee commission income	619	619
		Rental income	2,338	2,232
		Shared expenses charged by Company	269	919
First Capital Investment Limited	Common Directorship	Rent Income	336	336
		Shared expenses charged by the Company	-	551
Ever Green Water Valley (Private) Limited	Common Directorship	Advance paid against purchase of Shadman plot	6,063	22,422
		Advance against Construction of Pace Towers	8,223	59,872
		Shared Expenses charged by the company	-	551
First Capital Equities Limited	Common Directorship	Rent Income	-	321
		Rent Received on behalf of FCEL	-	90
		Shared Expenses charged by the company	-	551
Media Times Limited	Common Directorship	Rental Income	-	7,781
		Advertisement expenses	79	334
Rema and Shehrbano	Common Directorship	Service charges	1,351	1,511
Conatural	Common Directorship	Service charges	293	685
Post Employment Benefit Plans	Employee Fund	Gratuity and leave encashment	4,985	5,725

23 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:

							31 December 2020 (Un-audited)				
			Carrying amount		Fair value						
	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3					
<i>Note</i>							----- (Rupees in thousand) -----				
Financial instruments											
<u>31 December 2020</u>											
<u>Financial assets not measured at fair value</u>											
	13,619	-	13,619	-	-	-					
Long term advances and deposits											
Trade debts	430,706	-	430,706	-	-	-					
Advances, deposits, prepayments and other receivables	167,764	-	167,764	-	-	-					
Cash and bank balances	18,269	-	18,269	-	-	-					
23.2	<u>612,089</u>	<u>-</u>	<u>612,089</u>	<u>-</u>	<u>-</u>	<u>-</u>					
<u>Financial liabilities not measured at fair value</u>											
	-	66,860	66,860	-	-	-					
Long term finances - secured											
Redeemable capital - secured (non-participatory)	-	935,571	935,571	-	-	-					
Liability against right of use assets	-	131,456	131,456	-	-	-					
Foreign currency convertible bonds - unsecured	-	2,768,465	2,768,465	-	-	-					
Trade and other payables	-	874,264	874,264	-	-	-					
Accrued finance cost	-	1,243,306	1,243,306	-	-	-					
23.2	<u>-</u>	<u>6,019,922</u>	<u>6,019,922</u>	<u>-</u>	<u>-</u>	<u>-</u>					

23.1 Fair value measurement of financial instruments

		30 June 2020 (Audited)				
		Carrying amount		Fair value		
	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----					
Financial instruments						
<u>30 June 2020</u>						
<u>Financial assets not measured at fair value</u>						
	13,619	-	13,619	-	-	-
Long term advances and deposits						
Trade debts	406,985	-	406,985	-	-	-
Advances, deposits, prepayments and other receivables	150,008	-	150,008	-	-	-
Cash and bank balances	23,125	-	23,125	-	-	-
23.2	<u>593,737</u>	<u>-</u>	<u>593,737</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities not measured at fair value</u>						
Long term finances - secured	-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)	-	935,571	935,571	-	-	-
Liability against right of use assets	-	179,330	179,330	-	-	-
Foreign currency convertible bonds - unsecured	-	2,895,217	2,895,217	-	-	-
Trade and other payables	-	751,392	751,392	-	-	-
Accrued finance cost	-	1,189,058	1,189,058	-	-	-
23.2	<u>-</u>	<u>6,017,428</u>	<u>6,017,428</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

24 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited financial statements of the Company for the year ended 30 June 2020.

25 Date of authorization

These condensed unconsolidated interim financial statements has been approved by the Board of Directors of the Company and authorized for issue on _____.

26 General

Corresponding figures have been re-arranged and re-classified, where necessary, for the purpose of comparison and better presentation as per reporting framework.

Chief Executive

Director

Chief Financial Officer