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SEPTEMBER 30, 2023 1ST QUARTERLY REPORT (UN-AUDITED)

HUM NETWORK LIMITED



HUM NETWORK LIMITED



Company Information

BOARD OF DIRECTORS

Chairman

Mr. Mazhar-ul-Haq Siddiqui

Directors

Ms. Sultana Siddiqui
Mrs. Mahtab Akbar Rashdi
Mr. Shunaid Qureshi
Lt. Gen. (R) Asif Yasin Malik
Mr. Sohail Ansar
Mrs. Khush Bakht Shujat
Mr. Muhammad Ayub Younus Adhi

Chief Executive Officer
Chief Financial Officer
Company Secretary
Head of Internal Audit

Mr. Duraid Qureshi
Mr. Muhammad Abbas Hussain
Mr. Mobsin Naeem
Mr. Kamran Shamshad Ahmed

AUDIT COMMITTEE

Chairman
Members

Mr. Sohail Ansar
Mr. Shunaid Qureshi
Mrs. Mahtab Akbar Rashdi
Lt. Gen. (R) Asif Yasin Malik

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairperson
Members

Mr. Sohail Ansar
Ms. Sultana Siddiqui
Mrs. Mahtab Akbar Rashdi

AUDITORS

M/s. EY Ford Rhodes
Chartered Accountants
7th Floor Progressive Plaza,
Beaumont Road, Karachi

INTERNAL AUDITORS

M/s. KPMG Taseer Hadi & Company
Chartered Accountants
1st Floor, Sheikh Sultan Trust Building
No.2, Beaumont Road, Karachi

LEGAL ADVISOR

M/s. Ijaz Ahmed & Associates
No.7, 11th Zamzama Street Phase-V
D.H.A. Karachi.

BANKERS

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan
The Bank of Punjab
Allied Bank Limited
United Bank Limited
Askari Bank Limited
Habib Metropolitan Bank
MCB Bank Limited
Boston Private Bank & Trust
Barclays Bank PLC
Dubai Islamic Bank
Wells Fargo Bank
NRSP Microfinance Bank
First Women Bank
Silicon Valley Bank
Standard Chartered Bank

REGISTERED & HEAD OFFICE

Hum TV, Plot No. 10/11, Hassan Ali Street,
Off. II Chundrigar Road, Karachi -74000 UAN: 111 -486-111

REGISTRAR/TRANSFER AGENT

M/s. F.D. Registrar Services (SMC-Pvt.) Ltd
17th Floor, Saima Trade Tower-A,
U. Chundrigar Road Karachi-74000

WEBSITE

www.hurnnetwork.tv

PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

Directors' Report

The Directors of HUM Network Limited (HNL) are pleased to present the review report on the financial statements for the [1st] first quarter ended September 30, 2023.

Financial Performance:

Particulars	Unconsolidated Financial Statements		Consolidated Financial Statements	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	----- Rupees -----			
Net Revenue	1,839,641,112	1,331,891,876	2,138,553,436	1,519,437,939
Other Income	53,745,389	54,867,542	64,456,944	33,552,322
Total expenses	(1,358,646,336)	(1,039,952,526)	(1,610,471,119)	(1,144,705,688)
Profit before tax	534,740,165	346,806,892	592,539,261	408,284,573
Taxation	(53,881,989)	(42,030,822)	(68,441,584)	(43,428,211)
Profit after tax	480,858,176	304,776,070	524,097,677	364,856,362
EPS	0.42	0.27 (Restated)	0.46	0.33 (Restated)

Our net revenues and profit after tax have increased by 38% and 58% respectively as compared to the same period last year, continuing the upward trend of overall growth leading to further strengthening of the HNL's position in the industry in these testing times.

Operational Performance:

HNL is committed to delivering top-notch entertainment and news content to its diverse audience. As one of Pakistan's premier broadcasting brands, it has garnered a significant following not only within the country but also among the global South Asian Diaspora. HNL's mission revolves around creating content that caters to a wide spectrum of interests and remains relevant to various audiences, all while upholding the highest professional standards and ensuring long-term sustainability.

During the period under review, HUM TV premiered dramas like "Nijaat", a compelling exploration of the human conscience grappling with different choices, which was highly appreciated by the audiences due to its engaging storyline and awe-inspiring performances.

As part of our digital media strategy, HUM TV launched Pakistan's first-ever Arabic-dubbed YouTube channel called "Hum Arabia" with the hit Urdu drama "Parizaad". This idea was born from the immense popularity HUM TV has gained in the Middle East and North Africa (MENA) region. The goal is to bring Arabic-speaking viewers closer to our culture, building strong cultural ties.

HUM Masala stands as South Asia's pioneering and Pakistan's sole 24-hour culinary channel, boasting widespread popularity that extends beyond the South Asian region. It has enriched its programming with an array of fresh cooking and informative shows, introducing a diverse range of recipes, culinary experts, professional chefs, and health consultants.

HUM News is committed to providing viewers with the latest and most relevant information, has recently unveiled a lineup of new shows hosted by some of the most respected and renowned anchorpersons in the industry.

Ten Sports is the latest inclusion in the HUM Network portfolio, offering a wide range of sporting events catering to a broad spectrum of sports enthusiasts. We are thrilled to connect you more closely with your beloved athletes, coaches, and sports figures, delivering unparalleled access and valuable insights into their remarkable journeys.

This Independence Day, HUM Network Limited introduced the "HUMSE PAKISTAN" campaign, which carried a heartwarming message of hope, togetherness, and solidarity in addressing the difficulties our nation confronts. This campaign is dedicated to highlighting the remarkable stories of everyday Pakistanis who have taken the initiative to bring about positive change within their communities.

Future Outlook:

The Board has effectively guided the Company through the socio-economic challenges of recent years and are still keenly conscious of the persistent economic instability in Pakistan. Factors such as the high inflation, surging energy prices, exchange rate volatility, and political unrest have all contributed to instability of Pakistan's economy. During this challenging period, the company is committed with its efforts to reduce expenses, while simultaneously striving to improve efficiencies, boost productivity, and implement vigorous sales initiatives.

The evolving digital landscape in Pakistan holds considerable potential, evident in the widespread adoption of digital media and over-the-top (OTT) streaming services within households. As industry leaders, we fully recognize the boundless potential inherent in this transformation and are resolutely dedicated to tapping into it.

With balanced reporting and improved distribution across Pakistan, the average viewership rating of HUM News are ever increasing and it is now rated amongst the top news channels of the country. This position of strength has translated in encouraging earnings for the current period while potentially robust earnings in up-coming years.

The management of HNL continues to seek lucrative opportunities to enhance the portfolio of the network with inclusion of businesses and brand names exploring new avenues and achieving robust results. As a consequence, Ten Sports was recently added to our portfolio, growing our prospect for substantial revenue expansion. Given the growing appetite for sports content, we hold a positive outlook that this maneuver positions us to access a flourishing market.

Our business and financial strategies, along with operational choices, are meticulously formulated to propel HNL towards greater success while safeguarding its independence in a sustainable manner, especially in the face of economic challenges. We will continue to drive our agenda of growth with sustainability through relevant innovations, building brand equities and exploration of emerging opportunities.

The Board of Directors would like to acknowledge the contributions of all stakeholders of the Company for their continuous support.

October 27, 2023
Karachi



DURAIID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- Rupees -----	-----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,411,651,334	1,402,053,549
Intangible assets		2,016,483	2,966,208
Long term investments	5	348,898,481	338,898,481
Long term deposits		30,327,428	30,327,428
Television program costs		401,065,098	397,617,518
Deferred tax asset		130,034,796	131,016,868
		<u>2,323,993,620</u>	<u>2,302,880,052</u>
CURRENT ASSETS			
Inventories		20,038,496	16,715,587
Current portion of television program costs		81,538,365	85,829,858
Trade debts	6	2,859,672,848	2,688,381,940
Short term investments		561,987,181	589,143,291
Advances		244,571,825	154,575,629
Deposits and prepayments		52,436,080	28,904,298
Other receivables	7	2,167,505,160	1,742,173,997
Taxation – net		173,073,378	202,602,801
Cash and bank balances		419,080,110	447,796,769
		<u>6,579,903,443</u>	<u>5,956,124,170</u>
TOTAL ASSETS		<u>8,903,897,063</u>	<u>8,259,004,222</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 1,500,000,000 (2022: 1,500,000,000) Ordinary shares of Re.1/- each		<u>1,500,000,000</u>	1,500,000,000
Issued, subscribed and paid-up capital		1,134,000,000	1,134,000,000
Unappropriated profit		<u>6,592,722,557</u>	6,111,864,380
		7,726,722,557	7,245,864,380
NON-CURRENT LIABILITIES			
Long term lease liabilities		54,147,486	55,234,536
Long term financing		<u>15,625,000</u>	31,250,000
		69,772,486	86,484,536
CURRENT LIABILITIES			
Trade and other payables	8	992,294,561	814,018,597
Advance from customers		30,466,788	26,724,620
Accrued markup		218,805	218,809
Unclaimed dividend		6,153,603	6,153,603
Unpaid dividend		1,374,738	1,374,738
Current portion of long term financing		62,500,000	15,664,939
Current portion of long term lease liabilities		<u>14,393,525</u>	62,500,000
		1,107,402,020	926,655,306
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES		<u>8,903,897,063</u>	<u>8,259,004,222</u>

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



DURAIID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

		September 30, 2023	September 30, 2022
	Note	----- Rupees -----	-----
Revenue	10	1,839,641,112	1,331,891,876
Cost of production	11	(952,548,528)	(752,944,724)
Transmission cost		(38,756,849)	(31,429,735)
Gross profit		<u>848,335,735</u>	<u>547,517,417</u>
Distribution costs		(131,802,467)	(85,945,084)
Administrative expenses		(228,420,525)	(153,732,984)
Other income/(expense)		53,745,389	54,867,542
Finance costs		(7,117,967)	(15,899,999)
Profit before taxation		<u>534,740,165</u>	<u>346,806,892</u>
Taxation			
-current		(52,899,917)	(39,982,389)
-deferred		(982,072)	(2,048,433)
		<u>(53,881,989)</u>	<u>(42,030,822)</u>
Profit for the period		<u>480,858,176</u>	<u>304,776,070</u>
Earnings per share – basic and diluted (Re.)		<u>0.42</u>	(Restated) <u>0.27</u>

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



DURAIQ QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Quarter-ended	
	September 30, 2023	September 30, 2022
	----- Rupees -----	
Profit for the period	480,858,176	304,776,070
Other comprehensive income	-	-
Total comprehensive income for the period	<u>480,858,176</u>	<u>304,776,070</u>

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	September 30, 2023	September 30, 2022
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	534,740,165	346,806,892
Adjustments for:		
Depreciation on operating fixed assets	30,474,827	28,635,030
Amortization	949,726	2,198,121
Finance costs	7,117,967	15,899,999
Unrealised exchange gain/(loss)	2,536,421	(5,569,009)
Profit on bank accounts	(16,326,580)	(18,331,546)
Gain on disposal of operating fixed assets	-	(196,168)
Gain on redemption / sale of investments	(2,628,113)	(1,630,753)
Dividend Income	(18,795,633)	(12,158,787)
Unrealised (gain)/ loss on revaluation of investments	(10,152,141)	(17,838,460)
	(6,823,526)	(8,991,573)
Operating profit before working capital changes	527,916,639	337,815,319
(Increase)/decrease in current assets		
Inventories	(3,322,909)	(75,873)
Television program costs	4,291,493	4,517,361
Trade debts	(173,827,329)	(17,236,240)
Advances	(89,996,196)	(607,176,825)
Deposits and prepayments	(23,531,782)	7,316,146
Other receivables	(425,331,163)	(236,581,753)
	(711,717,886)	(849,237,184)
Increase/(decrease) in current liabilities		
Trade and other payables	182,018,131	(222,991,764)
Cash used in operations	(1,783,116)	(734,413,629)
Taxes paid	(23,370,496)	(19,958,415)
Finance costs paid	(7,117,967)	(18,597,851)
Profit received on deposit accounts	16,326,580	18,331,546
Long-term deposits	-	430,467
Television program costs	(3,447,580)	37,452,727
Net cash used in operating activities	(19,392,579)	(716,755,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment & intangible assets	(40,072,615)	(6,270,979)
Short term investments - net	39,936,362	192,777,493
Long term investment	(10,000,000)	-
Dividend Income received	18,795,633	12,158,787
Proceeds from disposal of operating fixed assets	-	196,168
Net cash generated from investing activities	8,659,380	198,861,469
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(2,358,463)	(4,657,065)
Dividend paid	-	(232,411)
Long term financing - net	(15,624,997)	(89,409,928)
Net cash used in financing activities	(17,983,460)	(94,299,404)
Net (decrease) / increase in cash and cash equivalents	(28,716,659)	(612,193,090)
Cash and cash equivalents at the beginning of the period	447,796,769	833,498,560
Cash and cash equivalents at the end of the period	419,080,110	221,305,470

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



DURAIQ QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserve	Total
		Unappropriated Profit	
	-----Rupees-----		
Balance as at July 01, 2022 – (Audited)	945,000,000	4,151,625,806	5,096,625,806
Profit for the period	-	304,776,069	304,776,069
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	304,776,069	304,776,069
Balance as at September 30, 2022	945,000,000	4,456,401,875	5,401,401,875
Balance as at July 01, 2023 – (Audited)	1,134,000,000	6,111,864,381	7,245,864,381
Profit for the period	-	480,858,176	480,858,176
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	480,858,176	480,858,176
Balance as at September 30, 2023	1,134,000,000	6,592,722,557	7,726,722,557

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Hum Network Limited (the Company) was incorporated in Pakistan on February 25, 2004 as a public limited company under the repealed Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
- 1.2 The Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programs with respect to information, entertainment, news, education, health, food, music and society.
- 1.3 These financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of direct equity interest and is not consolidated.

2 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention.

3 ACCOUNTING POLICES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2023.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)**

		September 30, 2023	June 30, 2023
		(Un-audited)	(Audited)
		----- Rupees -----	
4	PROPERTY, PLANT AND EQUIPMENT	Note	
	Operating fixed assets	4.1	1,145,458,910
	Capital work-in-progress		1,149,193,211
	Right of use assets		200,876,146
			51,036,324
			<u>1,411,651,334</u>
			<u>1,402,053,549</u>
4.1	Operating fixed assets		
	Opening balance – at book value		1,149,193,173
	Transfers from right of use assets		-
	Transfers from right of use assets		1,607,432
	Additions during the period / year – at cost	4.1.1	25,792,661
			<u>1,174,985,834</u>
			1,241,458,392
	Less:		
	Disposals / transfers during the period / year – at book value		-
	Depreciation charged during the period / year		(3,986,741)
			<u>(29,526,924)</u>
			<u>(88,278,478)</u>
			<u>(29,526,924)</u>
			<u>(92,265,219)</u>
	Closing balance – at book value		<u>1,145,458,910</u>
			<u>1,149,193,173</u>
4.1.1	Details of additions are as follows:		
	Owned Assets:		
	Furniture and fittings		2,596,000
	Motor vehicles		-
	Audio visual equipment		12,600,816
	Office equipment		915,103
	Computers		9,680,742
			<u>25,792,661</u>
			<u>220,346,179</u>
5	LONG TERM INVESTMENTS – unquoted subsidiaries	Holding	
	HUM TV, Inc. – USA		
	10,000 Common stock of \$ 0.01 each	100%	8,603
	Advance for future issue of shares		8,603
			<u>18,716,750</u>
			18,725,353
	HUM Network UK Ltd.		
	553,677 Ordinary shares of 1 GBP	100%	95,923,751
	Skyline Publications (Private) Ltd.		
	3,999,997 Ordinary shares of Rs.10 each	100%	39,999,970
	Provision for impairment		(39,999,970)
			-
	HUM Network FZ LLC – UAE		
	2,400 Ordinary shares of AED 1000 each	100%	69,802,371
	Advance for future issue of shares		4,446,966
			<u>74,249,337</u>
			74,249,337
	HUMM Co. (Private) Limited		
	4 Ordinary shares of Rs. 10 each	100%	40
	HUM Mart. (Private) Limited		
	14,000,000 ordinary shares of Rs.10 each	70%	140,000,000
	Provision for impairment		(140,000,000)
			-
	Tower Sports (Private) Limited		
	20,100 ordinary shares of Rs. 7462.69 each	100%	150,000,000
	Sphere Ventures (Private) Limited		
		100%	10,000,000
			<u>348,898,481</u>
			<u>338,898,481</u>
6	TRADE DEBTS - unsecured		
	Considered good		2,895,893,963
	Less: Allowance for ECL		(36,221,115)
			<u>2,859,672,848</u>
			<u>2,688,381,940</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

7 OTHER RECEIVABLES

Includes balances receivable from related parties as follows:

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- Rupees -----	
HUM TV. Inc	54,903,094	56,339,751
Skyline Publication Productions (Private) Limited	63,960,690	65,059,157
HUM Network FZLLC	1,961,102,236	1,538,255,996
Hum Mart (Private) Limited	128,000	-
	<u>2,080,094,020</u>	<u>1,659,654,904</u>
Provision for Impairment	<u>(57,605,219)</u>	<u>(57,605,219)</u>
	<u>2,022,488,801</u>	<u>1,602,049,685</u>

8 TRADE AND OTHER PAYABLES

Creditors	8.1	486,208,554	362,775,566
Accrued liabilities		427,376,454	388,661,167
Withholding tax payable		29,822,679	17,196,303
Other liabilities		48,886,874	45,385,561
		<u>992,294,561</u>	<u>814,018,597</u>

8.1 Includes amount payable to M.D Productions (Private) Limited, a related party amounting to Rs. 64,734,966/- (June 30, 2023: Rs. nil/-) against purchase of television program rights.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2023.

9.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at September 30, 2023 amounted to Rs.135,170,000 (June 2023: Rs. 258,962,000/-). Commitment for purchase of television programs with other than related parties as at September 30, 2023 amounted to Rs. 38,150,000 (June 2023: Rs. 41,215,500/-).

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Quarter-ended	
	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	----- Rupees -----	
10 REVENUE – net		
Advertisement revenue	1,352,989,822	991,878,649
Production revenue	8,310,000	13,104,183
Digital sales revenue	36,404,249	11,689,939
Subscription income	441,937,041	315,219,105
	1,839,641,112	1,331,891,876
10.1 Revenue is net off the following items:		
Sales tax	202,244,838	136,537,870
Discount to customers	217,072,679	126,112,573
	419,317,517	262,650,443
11 COST OF PRODUCTION		
Cost of outsourced programs	540,900,131	371,289,656
Cost of in-house programs	17,492,097	18,542,553
Inventories consumed	368,102	877,760
Salaries and benefits	293,762,292	236,105,873
Technical advisory fees	13,687,875	11,902,500
Depreciation	12,842,276	15,144,935
Amortisation	764,448	1,971,942
Traveling and conveyance	46,155,529	32,363,433
Utilities	5,623,357	3,297,713
Rent, rates and taxes	242,242	33,509
Insurance	7,116,900	7,178,418
Repair and maintenance	6,861,633	3,761,304
Fee and subscription	258,340	2,185,083
Communication expense	5,255,923	4,786,150
Consultancy	-	1,188,586
Printing and stationery	373,470	345,221
	951,704,615	710,974,636
In production television programs		
- opening	50,827,650	35,460,250
In production television programs		
- closing	(57,644,250)	(35,685,250)
	944,888,015	710,749,636
Released / unreleased programs		
- opening	432,619,726	390,229,988
Released / unreleased programs		
- closing	(424,959,213)	(348,034,900)
	952,548,528	752,944,724

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

12 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

Nature of transaction	Quarter-ended	
	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	----- Rupees -----	
Associated companies:		
Purchases of Television programs rights	467,765,060	341,556,920
Subsidiary Company:		
Management Fee	1,878,000	1,350,000
Subscription Income	21,979,630	15,290,139
Others		
Key Management personnel	249,529,763	119,239,940
Contribution to Fund	12,377,594	9,449,878

13 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023. There have been no change in any risk management policies since the year end.

14 FAIR VALUE OF ASSETS

There were no transfers amongst level of fair value analysis of financial assets during the period.

15 GENERAL

15.1 Amounts have been rounded off to the nearest rupee.

15.2 Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

16 DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorised for issue on October 27, 2023 by Board of Directors.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

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CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023 (UN-AUDITED)

Note	September 30, 2023		June 30, 2023	
	Rupees		Rupees	
	(Un-audited)		(Audited)	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	4	1,473,560,283	1,468,308,459	
Intangible assets		203,312,211	208,193,768	
Long term investments		29,527,574	49,527,574	
Long term deposits and prepayments		31,268,003	30,905,161	
Television program costs		401,065,098	397,617,518	
Deferred tax asset		150,943,330	152,607,326	
		2,289,676,499	2,307,159,806	
CURRENT ASSETS				
Inventories		20,038,496	16,715,587	
Current portion of television program costs		81,538,365	85,829,858	
Trade debts	5	3,367,879,087	3,100,542,350	
Short term investments		561,987,181	589,143,291	
Advances		317,849,226	217,960,460	
Trade deposits and short-term prepayments		77,268,590	87,363,141	
Other receivables		217,331,968	220,269,938	
Taxation – net		207,060,735	245,616,828	
Cash and bank balances		2,443,617,525	2,101,996,791	
		7,294,571,173	6,665,438,244	
TOTAL ASSETS		9,584,247,672	8,972,598,050	
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorised capital		1,500,000,000 (2022: 1,500,000,000) Ordinary shares of Re.1/- each	1,500,000,000	
Issued, subscribed and paid-up capital		1,134,000,000	1,134,000,000	
Revenue Reserves		6,834,623,579	6,297,572,560	
Attributable to owners of the Holding Company		7,968,623,579	7,431,572,560	
Non-controlling interest		(89,340,137)	(88,581,465)	
		7,879,283,442	7,342,991,095	
NON-CURRENT LIABILITIES				
Long term lease liabilities		54,147,486	55,234,536	
Long term financing		44,021,573	58,765,328	
Staff retirement benefits		96,150,118	94,199,346	
		194,319,177	208,199,210	
CURRENT LIABILITIES				
Trade and other payables		1,296,676,177	1,192,647,473	
Advance from customers		126,559,019	137,005,058	
Accrued mark-up		2,033,411	2,033,411	
Unclaimed dividend		6,153,603	6,153,603	
Unpaid dividend		1,374,738	1,374,738	
Current portion of long term lease liabilities		14,393,525	15,664,939	
Current portion of long term financing		63,454,580	66,528,523	
		1,510,645,053	1,421,407,745	
CONTINGENCIES AND COMMITMENTS				
	6			
TOTAL EQUITY AND LIABILITIES		9,584,247,672	8,972,598,050	

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

		September 30, 2023	September 30, 2022
	Note	----- Rupees -----	
Revenue	7	2,138,553,436	1,519,437,939
Cost of production	8	(951,597,690)	(756,943,752)
Transmission cost		(164,520,907)	(50,832,524)
Gross profit		1,022,434,839	711,661,663
Distribution costs		(145,048,873)	(107,380,421)
Administrative expenses		(316,702,321)	(213,321,901)
Other income/(loss)		64,456,944	33,552,322
Finance costs		(7,167,856)	(16,227,090)
Other expenses		(25,433,472)	-
Profit before taxation		592,539,261	408,284,573
Taxation		(68,441,584)	(43,428,211)
Profit after taxation		524,097,677	364,856,362
Attributable to:			
Owners of Holding Company		524,856,349	373,437,273
Non-Controlling Interests		(758,672)	(8,580,911)
		524,097,677	364,856,362
			(Restated)
Earnings per share – basic and diluted (Re.)		0.46	0.33

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	September 30, 2023	September 30, 2022
	----- Rupees -----	
Profit for the period	524,097,677	364,856,362
Other comprehensive income	12,194,670	15,915,863
Total comprehensive income for the period	<u>536,292,347</u>	<u>380,772,225</u>

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserves			Non- controlling interest	Total
		Foreign exchange translation reserve	Unappropriated profit	Sub-total		
Balance as at July 01, 2022 (Audited)	945,000,000	279,485,115	4,016,914,337	4,296,399,452	(53,578,718)	5,187,820,734
Profit / (loss) for the period	-	-	373,437,273	373,437,273	(8,580,911)	364,856,362
Other comprehensive income	-	15,915,863	-	15,915,863	-	15,915,863
Total comprehensive income / (loss) for the period	-	15,915,863	373,437,273	389,353,136	(8,580,911)	380,772,225
Balance as at Sep 30, 2023	1,134,000,000	295,400,978	4,390,351,610	4,685,752,588	(62,159,629)	5,568,592,959
Balance as at July 01, 2023 (Audited)	1,134,000,000	516,888,670	5,780,683,890	6,297,572,560	(88,581,465)	7,342,991,095
Profit / (loss) for the period	-	-	524,856,349	524,856,349	(758,672)	524,097,677
Other comprehensive income	-	12,194,670	-	12,194,670	-	12,194,670
Total comprehensive income / (loss) for the period	-	12,194,670	524,856,349	537,051,019	(758,672)	536,292,347
Balance as at September 30, 2023	1,134,000,000	529,083,340	6,305,540,239	6,834,623,579	(89,340,137)	7,879,283,442

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	September 30, 2023	September 30, 2022
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	592,539,261	408,284,573
Adjustment for:		
Depreciation	36,383,542	29,255,396
Amortization	1,961,384	3,310,571
Finance costs	7,167,856	16,227,090
Profit received on deposit accounts	(29,531,394)	(18,634,077)
Gain on disposal of property, plant and equipment	-	(196,168)
Unrealized Loss/(gain) on Revaluation of Investments	(10,152,141)	(17,838,460)
Exchange difference on translation of foreign currency	12,194,670	15,915,863
Provision for doubtful debts	(50,871,465)	1,879,223
Dividend income	(18,795,633)	(12,158,787)
(Gain) on redemption / sale of investments	(2,628,113)	(1,630,753)
Exchange Loss/(Gain)	5,468,588	24,303,916
	(48,802,706)	40,433,814
Operating Profit before working capital changes	543,736,555	448,718,387
(Increase)/decrease in current assets		
Inventories	(3,322,909)	(75,873)
Television program costs	4,291,493	4,517,361
Trade debts	(221,933,860)	(69,015,282)
Advances, deposits and prepayments	(89,794,215)	(851,847,965)
Other receivables	2,937,970	14,482,911
	(307,821,521)	(901,938,848)
Increase in current liabilities		
Trade and other payables	93,582,665	(176,802,987)
CASH GENERATED FROM OPERATIONS	329,497,699	(630,023,448)
Taxes paid	(28,221,496)	(22,501,054)
Finance cost paid	(7,167,856)	(18,924,938)
Profit received on bank accounts	29,531,394	18,634,077
Long-term deposits	(362,842)	388,918
Television program costs	(3,447,580)	37,452,727
Employees end of Service	1,950,772	6,670,047
Net cash (used in) / generated from operating activities	321,780,091	(608,303,671)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles	(38,715,156)	(6,775,909)
Short term investments - net	39,936,364	192,777,494
Long term investments	20,000,000	-
Dividend received	18,795,633	12,158,787
Proceeds from disposal of operating fixed assets	-	196,168
Net cash (used in) / generated from investing activities	40,016,841	198,356,540
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(17,817,735)	(90,111,923)
Liabilities against assets subject to finance lease	(2,358,463)	(4,615,642)
Dividend paid	-	(232,411)
Net cash (used in) / generated from financing activities	(20,176,198)	(94,959,976)
Net increase / (decrease) in cash and cash equivalents	341,620,734	(504,907,107)
Cash and cash equivalents at the beginning of the period	2,101,996,791	925,578,242
Cash and cash equivalents at the end of the period	2,443,617,525	420,671,135
Cash and cash equivalents		
Cash and bank balances	2,443,617,525	420,671,135
Short-term running finance	-	-
	2,443,617,525	420,671,135

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



DURAID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

- 1.1 HUM Network Limited (the Holding Company) was incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on Pakistan Stock Exchange.
- 1.2 The Holding Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society.

The 'Group' consists of

Holding Company

HUM Network Limited

Subsidiary Companies

	2023	2022
	Percentage of holding	
HUM TV, Inc.	100%	100%
HUM Network UK Limited	100%	100%
Sky Line Publications (Private) Limited	100%	100%
HUM Network FZ LLC	100%	100%
HUMM Co. (Private) Limited	100%	100%
HUM Mart (Private) Limited	70%	70%
Tower Sports (Private) Limited	100%	100%
Sphere Ventures (Private) Limited	100%	0%
TS3 FZ-LLC	100%	0%

1.3 Nature of operations of subsidiaries

HUM TV, Inc., HUM Network UK LTD and HUM Network FZ LLC have been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA), Canada, UK and UAE respectively. HUM Network UK LTD has 100% equity in HUM News Limited, which is engaged in business of transmission of news for UK audience. The subsidiary companies will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA, Canada, UK and UAE and will establish relations with advertisers, as well as develop US-based media materials, such as dramas, documentaries and other entertainment shows and events.

Skyline Publication (Private) Limited (SPL) is engaged in the publications of books and magazines.

HUMM Co. (Private) Limited has been established with the purpose of developing and producing contents, shows and programs. Currently, it is non-operational.

HUM Mart (Private) Limited engaged in the business of online shopping for grocery, household items and consumer goods.

Tower Sports (Private) Limited is engaged in the business of providing specialized sports services which include but are not limited to production, sales, marketing and distribution of sports media content.

During the quarter, a subsidiary company, M/s. HUM Network FZ LLC acquired 100% shareholding of M/s. TS3 FZ LLC, a company established in UAE, against consideration of Rs. 130 million paid in AED equivalent dated August 28, 2023. M/s. TS3 FZ LLC is engaged in the business of sports consultancy, media / marketing consultancy and digital media services.

During the quarter, the Holding Company acquired 100% shareholding of M/s. Sphere Ventures (Private) Limited against consideration of Rs. 10 million paid in full, dated July 26, 2023. M/s. Sphere Ventures (Private) Limited is engaged in the business of kids content.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared under the historical cost convention except of certain investments that have been measured at fair value.

3 ACCOUNTING POLICES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2023.

	Note	September 30,	Jun 30,
		2023	2023
		----- Rupees -----	
		(Un-audited)	(Audited)
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,207,367,859	1,215,448,121
Right of use assets		51,036,324	51,984,192
Capital work-in-progress		215,156,100	200,876,146
		<u>1,473,560,283</u>	<u>1,468,308,459</u>

4.1 Operating fixed assets – owned and leased

Book value at the beginning of the period / year		1,215,448,121	1,028,126,121
Additions during the period / year	4.1.1	27,355,375	286,051,018
Transfer to right of use asset - at book value		-	1,607,432
		<u>1,242,803,495</u>	<u>1,315,784,571</u>
Less:			
Disposal/ transfer during the period / year - at WDV		-	(3,986,744)
Depreciation charged during the period / year		(35,435,637)	(96,349,706)
		<u>(35,435,637)</u>	<u>(100,336,450)</u>
		<u>1,207,367,859</u>	<u>1,215,448,121</u>

4.1.1 Additions during the period/year

Owned Assets:

Furniture and fixtures	2,596,000	6,777,043
Motor vehicles	-	153,828,717
Audio visual equipment	12,600,816	82,225,482
Office equipment	1,498,180	6,331,516
Computers	10,660,379	36,888,259
	<u>27,355,375</u>	<u>286,051,018</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	September 30, 2023	Jun 30, 2023
	----- Rupees -----	
	(Un-audited)	(Audited)
5 TRADE DEBTS – unsecured		
Considered good	3,367,879,087	3,100,542,350
Considered doubtful	47,592,291	47,592,291
	<u>3,415,471,378</u>	<u>3,148,134,641</u>
Less: Allowance for ECL	<u>(47,592,291)</u>	<u>(47,592,291)</u>
	<u><u>3,367,879,087</u></u>	<u><u>3,100,542,350</u></u>

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2023.

6.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at September 30, 2023 amounted to Rs.135,170,000 (June 2023: Rs. 258,962,000/-). Commitment for purchase of television programs with other than related parties as at September 30, 2023 amounted to Rs. 38,150,000 (June 2023: Rs. 41,215,500/-).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)**

	September 31, 2023 (Un-audited)	September 31, 2022 (Un-audited)
	----- Rupees -----	
7 REVENUE – net		
Advertisement revenue	1,606,210,844	1,197,848,712
Production revenue	8,310,000	13,104,183
Digital sales revenue	36,404,249	11,689,939
Subscription income	481,989,304	296,524,583
Film distribution revenue	5,639,039	-
Sale of goods	-	270,522
	<u>2,138,553,436</u>	<u>1,519,437,939</u>
7.1 Revenue is net off the following items:		
Sales tax	202,117,758	136,537,870
Discount to customers	162,772,529	102,367,672
	<u>364,890,287</u>	<u>238,905,542</u>
8 COST OF PRODUCTION		
Cost of outsourced programs	530,725,976	372,350,015
Cost of in-house programs	17,492,097	18,542,553
Inventories consumed	368,102	877,760
Salaries and benefits	299,287,157	237,869,483
Technical advisory fees	13,687,875	11,902,500
Depreciation	12,875,784	15,378,946
Amortisation	764,448	1,992,018
Traveling and conveyance	48,047,008	32,363,433
Utilities	5,623,357	3,297,713
Rent, rates and taxes	242,242	33,509
Insurance	7,145,161	7,202,793
Repair and maintenance	6,830,484	3,807,150
Fee and subscription	558,340	2,185,083
Communication expense	5,264,253	4,794,501
Security charges	150,000	-
Consultancy	-	1,188,586
Printing and stationery	1,691,493	1,187,621
	<u>950,753,777</u>	<u>714,973,664</u>
In production television programs		
- opening	50,827,650	35,460,250
In production television programs		
- closing	<u>(57,644,250)</u>	<u>(35,685,250)</u>
	<u>943,937,177</u>	<u>714,748,664</u>
Released / unreleased programs		
- opening	432,619,726	390,229,988
Released / unreleased programs		
- closing	<u>(424,959,213)</u>	<u>(348,034,900)</u>
	<u>951,597,690</u>	<u>756,943,752</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

9 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

Nature of transaction	September 31,	September 31,
	2023 (Un-audited)	2022 (Un-audited)
	----- Rupees -----	
Associated companies:		
Purchases of Television programs rights	467,765,060	341,556,920
Others		
Key Management personnel	308,104,433	119,239,940
Contribution to Fund	12,377,594	9,449,878

10 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023. There have been no change in any risk management policies since the year end.

11 FAIR VALUE OF ASSETS

There were no transfers amongst level of fair value analysis of financial assets during the period.

12 GENERAL

12.1 Amounts have been rounded off to the nearest rupee.

12.2 Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

13 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on October 27, 2023 by the Board of Directors of the Holding Company.



DURAIID QURESHI
Chief Executive



MAZHAR-UL-HAQ SIDDIQUI
Chairman



MUHAMMAD ABBAS HUSSAIN
Chief Financial Officer

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