VISION

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

MISSION

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

CONTENTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2010

COMPANY INFORMATION

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of the Shareholders of Media Times Limited ("the Company" or "MTL") will be held on 30 October 2010 at 03:00 p.m. at 103-C/II, Gulberg-III, Lahore, to transact the following business:

Ordinary business:

1. To confirm the minutes of last Annual General Meeting held on 31 October 2009;

2. To receive, consider and adopt the financial statements of the Company for the year ended 30 June 2010 together with the Directors' and Auditors' reports thereon;

3. To appoint Auditors for the year ending 30 June 2011 and fix their remuneration;

Special business:

4. **To pass a special resolution pursuant to the first proviso to Section 86(1) of the Companies Ordinance, 1984, for issuance of ordinary shares of the Company by way of otherwise than rights to First Capital Securities Corporation Limited ("FCSC"), a sponsor of the Company, by way of conversion of long term loans/advances earlier provided to the Company, together with any mark-up accrued thereon. In this regard it is proposed to pass the following special resolutions, with or without modifications:**

   RESOLVED THAT, subject to approval of the Securities and Exchange Commission of Pakistan ("SECP"), the Company make a further issue of capital without issue of rights shares to enable such fully paid ordinary shares of the Company to be issued as are required to be issued upon conversion into ordinary shares of the long term Loans/advances (together with mark-up accrued thereon) provided by First Capital Securities Corporation Limited provided that the conversion may take place from time to time and may be up to the extent of Rs. 425,000,000 (Rupees four hundred twenty five million only);

   RESOLVED FURTHER THAT the Chief Executive or any one of the Directors of the Company and/or the Company Secretary of the Company be and are hereby authorized singly to complete all the necessary corporate and legal formalities in respect of the above including but not limited to filing of application(s) with SECP, making necessary alterations and amendments in the application or any other matter in respect of the above. The Chief Executive is also authorized to delegate the authority granted hereby to any other person who he may deem fit."

5 **To consider and if thought fit, approve the increase in Authorized Share Capital of the Company and to pass the following 'Special Resolutions' with or without modifications**

   RESOLVED THAT the Authorized Capital of the Company be and is hereby increased from Rs. 1,400,000,000/- divided into 140,000,000 ordinary shares of Rs. 10/- each to Rs. 1,800,000,000/- divided into 180,000,000 ordinary shares of Rs. 10/- each and the words and figures in Clause V of the Memorandum of Association and Clause 4 of the Articles of Association of the Company be and are hereby amended accordingly.

   "RESOLVED FURTHER THAT the Chief Executive or any one Director and/or the Company Secretary of the Company be and hereby authorized singly to complete all the necessary corporate and legal formalities in respect of the above."

By order of the Board

Lahore:
08 October 2010

Nadeem Maqsood
Company Secretary

Notes:

1) The Members Register will remain closed from 23 October 2010 to 30 October 2010 (both days inclusive). Transfers received at THK Associates (Pvt.) Limited, Ground Floor, State Life Building-3, Dr. Ziauddin Ahmad Road, Karachi, the Registrar and Shares Transfer Office of the Company, by the close of business on 22 October 2010 will be considered in time for the purpose of Annual General Meeting.

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

3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head office of the company, 103-C/II, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.

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

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

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

EXPLANATORY STATEMENT ACCOMPANYING NOTICE TO THE MEMBERS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

The accompanying copy of the notice is for the purpose of convening the meeting of the members for passing of the Special Resolutions specified in the notice. The material facts relating to the Special Resolutions are as follows:

(1) ISSUANCE OF ORDINARY SHARES OTHERWISE THEN RIGHTS UNDER PROVISIONS OF SECTION 86(1) OF THE COMPANIES ORDINANCE, 1984 THROUGH CONVERSION OF LOANS/ADVANCES

Media Times Limited ("MTL") was incorporated in Pakistan on 26 June 2001 as a private limited company, under the provisions of the Companies Ordinance, 1984. MTL was converted into public limited company on 06 March 2007. MTL is listed on Karachi and Lahore Stock Exchanges since 02 February 2009. MTL is engaged in printing and publishing daily English and Urdu Newspapers by the name of "Daily Times" and "Aajkal" respectively and also engaged in production, promotion, advertisement, distribution and broadcasting of television programs through satellite channels by the name of "Business Plus" and "Zaiqa".

The existing authorized share capital of MTL is Rupees 1,400,000,000 divided into 140,000,000 ordinary shares of Rupees 10 each and paid up capital is Rupees 1,341,382,580 divided into 134,138,258 ordinary shares of Rupees 10 each. The registered office of MTL is located at 41-N, Industrial Area, Gulberg-II, Lahore.

MTL is currently involved in Print and Electronic media activities. In its part of Print media activities MTL publishes a leading English daily newspaper "Daily Times" and Urdu daily newspaper "AAJ KAL". The "Daily Times" project was launched in 2002 and is being published from Lahore, Karachi and Islamabad and it also distribution network in major cities of Pakistan. The brand is being recognized due to authentic news, quality contents, paper and print quality being managed by a competent team of highly dedicated editorial, research, reports and business analysts. The Daily Times covers local and foreign news, foreign views, editorial, opinions, sports, city, business and finance, money market, market statistics and entertainment etc. Within a short span of 9 years "Daily Times" has got recognition as one of the most prestigious, circulated and quality newspapers in Pakistan, especially in the commercial, corporate and government sectors due to its extensive readership all over Pakistan with its high-quality, creative, research-based and interactive material. MTL also prints various weekly magazines with the names of Sunday, Boss and Wikkid. "Sunday" magazine is the heart of the newspaper and has very good reputation among the readers due to its unique contents. "Boss" magazine covers business and corporate sector information material. "Wikkid" magazine provides a quality reading material for children and teenagers.

After launch of "Daily Times" which has gained recognition as one of the top most English newspapers in Pakistan, the Management of MTL launched a new Urdu Daily newspaper "Aajkal" from Karachi, Lahore and Islamabad. Urdu being the national language has a much larger readership as compared to English. Aajkal also publishes "Ittwar" magazine on Sunday covering fashion/entertainment news and social gatherings. The daily Urdu newspaper has given MTL an access to cross-sell and capture entire band of readership. MTL intends to concentrate on the increase of circulation which is the main strength of any newspaper and is a key determinant of the advertisement that can be generated. There are corporate, retail and semi-corporate circulation teams in three stations, which is a one-of-its-kind structure in the newspaper industry.

In its part of Electronic Media activities, MTL is running the Pakistan's premier business channel "Business Plus" and a cooking / food channel "Zaiqa" and involved in other Electronic media activities including production, promotion, advertisement, distribution and broadcasting of television programs through satellite.

Business Plus -TV channel was launched in 2004, its main characteristics includes, more than 13 hours of live transmission every day, insight into markets through financial sector in Pakistan and the region, current affairs programs featuring journalists, politicians, analysts and various icons, dedicated and professionally qualified teams for operations and programming.

After Business Plus kids satellite channel "Wikkid Plus" was launched in year 2007, it has also received positive response and appreciation not only from children and household audience but also from advertising agencies/corporate(s). Channel's main characteristics include a mix of locally produced as well as imported content, provide children with entertaining and interactive product that will enhance their learning experience and enjoyment, inform and raise awareness of children on all kinds of issues and instil knowledge and understanding of their own as well as other cultures.

Another addition in the satellite channels bouquet of the Company "Zaiqa" a cooking and food channel was launched by the Company in May 2010. Zaiqa is exclusively dedicated to food programming offering expert advice, recipes from famous chefs and cuisines from not only Pakistan but around the world. The channel airs 8 hours of fresh content every day. Currently content consist of 70% live and 30% recorded. Well-known chefs with diversified experience over decades have been engaged to appear in the programs.

The Company has already applied to PEMRA for acquiring license for uplinking of another entertainment cum infotainment satellite channel which is in the approval process. The Company expects this addition to bring a good amount of advertisement revenue in the coming period.

In order to expand the viewer base and build upon existing marketing potential of the project, MTL plans to embark upon repositioning and expansion/modification of the channel(s). MTL plans to invest more in technical infrastructure development, human resource and content cost which will result in better transmission quality and to add more infotainment content in non-business hours. The content being produced keeping in mind diversified audiences and all sectors of the advertising industry. New content can target segments like entertainment/fashion/advertising industry, property/real estate and IT sectors, business travel, job hunting etc. Special transmissions and electronic supplements are envisaged to be introduced to open up new avenues for advertisement revenue. All programming will have a progressive and liberal tilt with an aim to not just attract viewers but also educate the masses. Planned programming is envisaged to attract advertisements from telecom, real estate companies and financial institutions etc. A number of programs also being planned in conjunction with important government clients, ministries, NGOs and private sectors to establish the brand through indirect marketing.

The Company in order to finance its expansion plans has earlier obtained long term loans to the extent of Rs. 391.629 million (Rupees three hundred ninety one million six hundred twenty nine thousand only) from time to time starting from year 2008 from First Capital Securities Corporation Limited, its sponsor company. The mark-up payable is amounting to Rs. 15.794 million (Rupees fifteen million seven hundred ninety four thousand only) as at 30 September 2010. The aforesaid loans are for a period of four years and can be extended for a period of one year which would be matured by June 2011.

The Company's various projects are at the development stage and the Company expects that its projects would be profitable in near future. During the last year the Company's revenues and profits were considerably lower than expectations. The main reason for the slowdown include law and order situation and prolonged recession in the country due to which sectors like banking, construction, FMCG etc. have shelved their marketing campaigns; resulting in lower advertisement budgets for the print and electronic media, which have adversely affected the Company revenue streams. Despite cost management and control, the content cost is constantly increasing which has resulted in difficult financial situation for the Company. If the security situation of the country continues to improve in the coming period we can expect increase in confidence of investors and business community which eventually will result in the further growth of advertisement revenue for the Company.

In view of the current situation of the market and especially when the Company is in a development phase, the management of the Company requested FCSC, being its sponsor Company, to convert the outstanding loans along with mark-up obtained from FCSC into Ordinary Shares. This will ease the cash flow of the Company and help the Company to broaden its capital base and avoid the huge financial cost of servicing the loan.

It is proposed that the outstanding loan of FCSC shall be converted at par value i.e. Rs. 10.00 per share, subject to necessary regulatory and corporate approvals required on the part of the Company and FCSC. As per latest financial statements of MTL the break up value per shares of MTL is Rs. 10.18 per share. The shares when issued shall rank pari passu with the existing ordinary shares of the Company. The necessary agreements may be executed with FCSC for the issue of shares in conversion of the debt.

(2) INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE COMPANY

In order to issue further shares by way of the conversion of loans/advances in to the Share capital of the Company, it is necessary to increase the Authorized Share Capital of the Company. As per recommendations of the Board of Directors, the Authorized Share Capital of the Company is to be increased from Rs. 1,400,000,000/- to Rs. 1,800,000,000/-. This increase in capital will also necessitate amendments in clause V of the Memorandum of Association and in clause 4 of the Articles of Association of the Company accordingly and after the proposed amendment will be read as under:

Clause V of the Memorandum of Association of the Company

The Authorized Capital of the Company is Rs. 1,800,000,000/- (Rupees One Billion Eight Hundred Thousand only) divided into 180,000,000/- (One hundred Eighty Million only) ordinary shares of Rs. 10/- each. The Company shall have the power to increase, reduce, consolidate or re-organize the said Capital and to divide the shares capital into several classes in accordance with the provisions of the Companies Ordinance 1984.

Clause 4 of the Articles of Association of the Company

The Authorized Capital of the company is Rs. 1,800,000,000/- (Rupees One Billion Eight Hundred Thousand only) divided into 180,000,000/- (One Hundred Eighty Million only) ordinary shares of Rs. 10/- each.

INSPECTION OF DOCUMENTS

Copies of statement u/s 160(1)(b) of the Companies Ordinance, 1984, recent annual/quarterly accounts along with all published or otherwise required accounts of all prior periods of the Company along with financial projections of the Company, Memorandum and Articles of Association of the Company and First Capital Securities Corporation and other related information of the Company may be inspected/procured during the business hours on any working day at 103-C/II, Gulberg-III, Lahore from the date of publication of this notice till the conclusion of the General Meeting.

INTEREST OF THE DIRECTORS AND THEIR RELATIVES

The Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings which may also be inspected during the business hours on any working day at the 103-C/II, Gulberg-III, Lahore from the date of publication of this notice till the conclusion of the Annual General Meeting.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Media Times Limited ("MTL" or "the Company") are pleased to present the annual report to the members along with the annual audited financial statements of the Company for the year ended 30 June 2010.

Industry Overview

Media industry is going through an after shock adjustment mode in Pakistan. After the world economic recession, the overall impact of advertisement drop was sustained by media industry. The overall strategy was to sustain the bad times by controlling costs and capturing any revenue situation which is available. Smart strategies of multi tasking and carving the business module according to the changing situation are the need of the time. The management is observant of the changing situation and working very hard to not only sustain the Company during the current depression but also be in an overall positive situation in the coming year.

Financial Overview

The company posted net revenues of Rs. 499 million as compared to the revenue of Rs. 504 million in the corresponding period last year and incurred a net loss of Rs. 73.6 million during the financial year under review. Results showed a decrease of in gross margins due to decrease in the revenues earned as well as increase in various operational costs.

The management has taken measures to curtail operating costs by decreasing HR cost and other operational expenses; consolidating resources and maximizing economies of scales which resulted in improved. Cash flows from operational activities and repayment of debt to avoid future financial costs. The Company has invested Rs. 128 million in capital expenditure during the current financial year for expansion and up-gradation in its electronic and print media existing operations and its upcoming entertainment channel, which is planned to be launched in the current financial year. The Company has tried to perform well despite tough competition and has successfully improved its position in the media market.

Detailed results of the Company for the year are disclosed in the financial statements accompanying this report; however highlights for the year are as follows:

	2010	2009
	(Rs. in Millions)	
Profit and Loss Account		
Revenue	499	504
Gross Profit	124	180
Loss after Taxation	(73.6)	(2.6)
EPS Basic & Diluted - (Rupees)	(0.55)	(0.02)
Balance Sheet		
Non Current Assets	1,643	1,674
Net Current Assets	159	174
Non Current Liabilities	437	409
Share Capital and Reserves	1,365	1,439

Keeping in view the economic recession in the country and tough competition in the media industry, the Management is focusing on tapping additional available revenue sources in the market and reduction in current costs while maintaining the quality we provide and making progress towards Company's long term goals.

Subsequent to the year end, the Company has requested First Capital Securities Corporation (FCSC) to convert its long term loan into equity, subject to completion of necessary corporate and regulatory requirements. This loan is due for repayment in 2011 and MTL incurs heavy financial charges on it. The media market is expected to recover slowly in line with the overall economy and MTL's cash flows will remain squeezed in the coming period. Therefore if this loan is converted into equity, MTL will not only save the principal repayment amount but also the financial charges which will help in decreasing its overall costs. The savings from this transaction can be directed towards improving its current facilities and providing more tailor-made solutions to its clients.

Operational Overview

Print Media

"**Daily Times**", a nationwide English daily newspaper printed from Lahore, Karachi and Islamabad caters to needs of the whole family and is considered to be amongst the leading English newspapers in the country in terms of circulation and enjoys a high level of respect & credibility. Professional editorial team, attractive layout, detailed coverage of national and international news, lively entertainment section and devoted teams of operations, circulation, sales & marketing people, all have contributed significantly towards newspaper's growth and popularity. The paper's allied weekly magazines and segments like Sunday, Boss and Wikkid provide content for entertainment and fashion industry, business & corporate sector and children.

Last year was a very challenging phase in the history of newspaper industry and especially for Media Times since ever increasing economic crunch was hitting the pockets of advertisers and struggle to get the advertising share was the top priority. Moreover market entry of one major media group with its recently launched English daily newspaper was also a challenge for Daily Times.

"**Aajkal**" an Urdu daily newspaper, is successfully maintaining its market position since its launch and continuously striving to improve circulation as well as advertising share across Pakistan.

Electronic Media

"**Business Plus**" Pakistan's premier business and current affairs channel, provides content 24-hrs a day with more than 12 hours of fresh and live daily programming. Dynamic team of business analysts ensure effective delivery of business and stock exchange update and analyze the overall economic situation in an effective manner. On current affairs side we have a team of intelligent political and socio economic experts who analyze the current political affairs and social issues in an interesting and hard hitting manner. The news content of the channel has also been improved and technically equipped to deliver fast and live news for the viewers.

Media Times has successfully launched "Zaiqa" a food/cooking based satellite channel. "Zaiqa" is a new addition to the bouquet of Satellite channels of the Company and is dedicated to food programming offering expert advice, recipes from famous chefs and cuisines from not only Pakistan but around the world. The channel airs 8 hours of fresh content every day. This is a well planned strategic effort, which has produced good results right in the beginning of its launch and has received a welcome response from the viewers, clients and advertisers. It is very much expected that this addition of cooking channel will play a major role in stabilizing and strengthening the company's cash flow as well as market share.

Future Outlook

Company is continuously striving to upgrade the human resource as well as technological infrastructure to match the pace of increasing competitive market situation. Advertising revenues are much more driven to tailor made solutions and content integration both in print and electronic media. To be on the top, the Company is exploring many non conventional avenues in advertising and production to match the ever increasing demands of clients. Despite all economic and strategic threats in recent years, advertising industry in Pakistan is still increasing and many new newspapers and satellite channels are in planning phase to enter the industry. Media Times management is fully committed to explore all new avenues of marketing and product improvement to be a major player in this industry and improve its financial position.

The Company has already applied to PEMRA for acquiring license for uplinking of another entertainment cum infotainment satellite channel which is in the approval process. The Company expects this addition to bring a good amount of advertisement revenue in the coming periods.

Changes in the Board of Directors

During the financial year Mr. Najam Aziz Sethi resigned from the Board of Directors' of the Company and Miss. Shehrbano Taseer appointed in his replacement.

Subsequent to the year end, Syed Kashan Hussain Kazmi was appointed as Director in place of Mr. A. N. Rane.

Board Meetings during the year

Four Meetings of the Board of Directors were held during the period 01 July 2009 to 30 June 2010. Attendance by each Director is as under:

Director	**Meetings attended**
Mr. Salmaan Taseer	4
Mrs. Aamna Taseer	4
Mr. Shahbaz Ali Taseer	4
Mr. Shehryar Ali Taseer	4
Mr. Najam Aziz Sethi **(Resigned)**	-
Miss. Shehrbano Taseer	2
Mrs. Maimanat Mohsin	-
Mr. A.N. Rane **(Resigned)**	-
Syed Kashan Hussain Kazmi	-

The Directors who could not attend the meeting were duly granted leave by the Board. The business of the company is being run under the supervision of Board of Directors; the Chairman & Chief Executive is not entitled to any remuneration, benefits/privileges in any capacity from the Company, as long as he remains on the present constitutional post.

Audit Committee

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

Aamna Taseer	Chairperson of the committee and Non-Executive Director
Shehryar Ali Taseer	Executive Director
Shahbaz Ali Taseer	Non-Executive Director

There is no change in audit committee members during the year.

<u>Code of Corporate Governance</u>

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

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

Proper books of accounts have been maintained by the company.

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

The international accounting standards, as applicable in Pakistan, have been followed in the preparation of financial statements and departure there from (if any) is adequately disclosed.
The system of internal control is sound in design and has been effectively implemented and monitored.

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

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

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

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

Trading of Directors

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

Auditors

Statutory Auditors, Messrs Nasir Javaid Maqsood Imran., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of Messrs Nasir Javaid Maqsood Imran, Chartered Accountants as the auditors of the Company for the financial year ending 30 June 2011.

Pattern of Shareholding

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

Appropriations

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

Earnings per Share

Earnings/(loss) per share for the financial year ended 30 June 2010 is Rs. (0.55) (2009: Rs. (0.02)).

Acknowledgements

Directors take this opportunity to place on record their appreciation of the dedication and commitment of employees at all levels that has made MTL to become one of the leading media companies in Pakistan. MTL continues to rely on its employees for its future expansion and believes in the mutual sharing of rewards that are a result of the endeavors of its employees. Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors, service providers as well as regulatory and governmental authorities.

For and on behalf of the Board of Directors

Lahore
04 October 2010

Salmaan Taseer
Chairman & Chief Executive Officer

Annexure-1

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

	Opening balance as on 01-07-2009	Purchase	Bonus	Sale	Closing balance as on 30-06-2010
Directors					
Salmaan Taseer **(CEO)**	10,521,372	-	-	1,486,200	9,035,172
Aamna Taseer	1,000	-	-	-	1,000
Shahbaz Ali Taseer	600	-	-	-	600
Shehrbano Taseer	-	-	-	-	500
Maimanat Mohsin	560,500	-	-	-	560,500
A.N.Rane	800	-	-	-	800
Shehryar Ali Taseer	600	-	-	-	600
Spouses	-	-	-	-	-
Minor Children	-	-	-	-	-
Chief Financial Officer					
Suhail Ahmed	-	-	-	-	-
Company Secretary					
Nadeem Maqsood	-	-	-	-	-

KEY OPERATING AND FINANCIAL INDICATORS

KEY INDICATORS **Rupees**

		2005	2006	2007	2008	2009	2010
Operating result							
Net Revenue		147,569,322	194,373,535	269,964,655	460,534,464	504,415,423	**498,588,391**
Gross profit/ (loss)		16,244,780	45,458,391	106,247,888	231,282,203	179,596,481	**124,451,103**
Profit / (loss) from operation		(44,719,842)	(18,397,191)	38,263,773	97,793,018	(7,501,300)	**(68,655,195)**
Profit / (loss) before tax		(54,585,507)	(29,110,539)	35,337,979	133,355,529	(23,758,875)	**(108,304,127)**
Profit / (loss) after tax		(31,560,106)	(24,505,387)	27,776,167	109,682,935	(2,578,657)	**(73,627,367)**
Financial Position							
Shareholder's equity		155,726,983	149,921,596	348,093,913	1,125,579,140	1,438,689,890	**1,365,062,523**
Property, plant & equipment-operating		128,731,290	115,904,535	135,006,167	1,118,958,250	1,133,914,950	**1,234,004,913**
Net current assets		2,938,539	10,001,287	79,448,098	92,729,643	173,546,031	**158,922,289**
Profitability							
Gross profit/(loss)	%	11.01	23.39	39.36	50.22	35.60	**24.96**
Operating profit/(loss)	%	(30.30)	(9.46)	14.17	21.23	(1.49)	**(13.77)**
Profit before tax/(loss)	%	(36.99)	(14.98)	13.09	28.96	(4.71)	**(21.72)**
Profit after tax/(loss)	%	(21.39)	(12.61)	10.29	23.82	(0.51)	**(14.77)**
Performance							
Fixed assets turnover	Times	1.15	1.68	2.00	0.41	0.44	**0.40**
Return on equity	%	(20.27)	(16.35)	7.98	9.74	(0.18)	**(5.39)**
Return on capital employed	%	(23.81)	(19.29)	7.47	6.92	(0.14)	**(4.33)**
Liquidity							
Current	Times	1.04	1.12	1.68	1.22	1.49	**1.72**
Quick	Times	1.01	0.97	1.55	0.92	1.01	**1.61**
Valuation							
Earnings/(loss) per share	Rs.	(1.82)	(1.41)	1.59	1.40	(0.02)	**(0.55)**
Break up value per share	Rs.	8.96	8.63	19.89	11.20	10.73	**10.18**

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2010

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

No. of Shareholders	Shareholdings			Shares Held
	From		To	
35	1	-	100	258
79	101	-	500	39,370
7	501	-	1000	5,812
9	1001	-	5000	29,047
1	15001	-	20000	15,509
1	30001	-	35000	33,000
1	35001	-	40000	36,560
1	50001	-	55000	51,855
1	105001	-	110000	110,000
1	500001	-	505000	500,001
1	560001	-	565000	560,500
1	665001	-	670000	669,700
1	1080001	-	1085000	1,081,035
1	2230001	-	2235000	2,234,572
1	2495001	-	2500000	2,500,000
1	3620001	-	3625000	3,624,389
1	4195001	-	4200000	4,199,500
1	4995001	-	5000000	5,000,000
1	6070001	-	6075000	6,071,138
1	9030001	-	9035000	9,034,672
1	12645001		12650000	12,647,615
1	25990001		25995000	25,993,431
1	26425001		26430000	26,425,280
1	33275001		33280000	33,275,014
150				134,138,258

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2010

Categories of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	9,599,172	7.156
Associated Companies, undertakings and related parties.	37,249,169	25.533
NIT and ICP	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions	5,000,000	5.591
Insurance	-	-
Modarabas and Mutual Funds	-	-
Share holders holding 10% or more	92,318,114	66.587
General Public		
a) Local	1,335,230	1.368
b) Foreign	-	-
Others:		
- Joint Stock Companies	47,009,973	35.046
- Foreign Companies	33,944,714	25.306

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

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT 30 JUNE 2010

Shareholders' Category	Number of Shares held
Associated Companies, undertaking and related parties	
First Capital Securities Corporation Limited	33,049,669
Worldcall Telecom Limited	4,199,500
Directors, CEO and their Spouse and Minor Children	
Salmaan Taseer	9,035,172
Aamna Taseer	1,000
Shahbaz Ali Taseer	600
Shehryar Ali Taseer	600
Shehrbano Taseer	500
Mrs. Maimanat Mohsin	560,500
Mr. A.N. Rane	800
Public Sector Companies and Corporations	47,009,973
Banks Development Financial Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Fund etc.	5,000,000
Shareholders holding 10% or more voting interest in the Company	
First Capital Securities Corporation Limited	33,049,669
Morgan Stanley & Co. Inc	33,275,014
First Capital Equities Limited	25,993,431

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2010

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For and on behalf of the Board

Lahore
04 October 2010

Salmaan Taseer
Chairman & Chief Executive Officer

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

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance effective for the year ended June 30, 2010.

LAHORE
04 October 2010

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Media Times Limited ("the Company")** as at **June 30, 2010** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

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

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

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as explained in note 2.4 of the financial statements with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010; and of the loss, its cash flows and changes in equity for the year then ended; and

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

LAHORE
04 October 2010

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

BALANCE SHEET
AS AT 30 JUNE 2010

	Note	2010 Rupees	2009 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	*3*	**1,324,349,538**	1,331,857,329
Intangible assets	*4*	**153,173,970**	153,778,370
Long term deposits	*5*	**9,984,926**	25,105,886
Television program costs	*6*	**52,634,756**	97,295,019
Deferred taxation	*7*	**102,981,740**	65,812,038
		1,643,124,930	1,673,848,642
CURRENT ASSETS			
Inventories	*8*	**24,156,017**	95,356,362
Current portion of television program costs	*6*	**73,016,734**	74,987,669
Trade debts	*9*	**196,072,374**	189,215,583
Loans and advances	*10*	**21,106,509**	34,856,551
Deposit and prepayments	*11*	**20,474,481**	19,776,860
Other receivables	*12*	**25,839,092**	31,148,898
Short term investments	*13*	**-**	75,000,000
Cash and bank balances	*14*	**18,461,424**	9,177,999
		379,126,631	529,519,922
TOTAL ASSETS		**2,022,251,561**	2,203,368,564
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
140,000,000 (June 2009: 140,000,000) ordinary shares of Rs. 10 each.		**1,400,000,000**	1,400,000,000
Issued, subscribed and paid up capital	*15*	**1,341,382,580**	1,341,382,580
Share premium	*16*	**76,223,440**	76,223,440
Unappropriated (loss)/profit		**(52,543,497)**	21,083,870
		1,365,062,523	1,438,689,890
NON CURRENT LIABILITIES			
Long term finances	*17*	**391,629,002**	340,316,051
Retirement benefits	*18*	**45,229,862**	36,543,504
Liabilities against assets subject to finance lease	*19*	**125,834**	31,845,228
		436,984,698	408,704,783
CURRENT LIABILITIES			
Trade and other payables	*20*	**128,843,485**	74,480,842
Interest and mark-up accrued	*21*	**984,777**	7,082,595
Short term borrowings	*22*	**51,262,745**	77,607,298
Current maturities of long term liabilities	*23*	**39,113,333**	196,803,156
		220,204,340	355,973,891
Contingencies and commitments	*24*	**-**	-
		2,022,251,561	2,203,368,564

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

Lahore:
04 October 2010

Chief Executive **Director**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 Rupees	2009 Rupees
Revenue -Net	*25*	**498,588,391**	504,415,423
Direct costs	*26*	**(374,137,288)**	(324,818,942)
Gross profit		**124,451,103**	179,596,481
Operating costs	*27*	**(193,106,298)**	(187,097,781)
Operating loss		**(68,655,195)**	(7,501,300)
Finance costs	*28*	**(42,452,371)**	(38,145,224)
		(111,107,566)	(45,646,524)
Gain on sale of short term investment		-	4,824,600
Other operating income	*29*	**2,803,439**	17,063,049
Loss before taxation		**(108,304,127)**	(23,758,875)
Taxation	*30*	**34,676,760**	21,180,218
Loss after taxation		**(73,627,367)**	(2,578,657)
Earnings per share - basic and diluted	*31*	**(0.55)**	(0.02)

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

Lahore:
04 October 2010

Chief Executive **Director**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	2010 Rupees	2009 Rupees
Loss after taxation	**(73,627,367)**	(2,578,657)
Other Comprehensive income/ (loss) for the year	**-**	-
Total comprehensive loss for the year	**(73,627,367)**	(2,578,657)

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

Lahore: **Chief Executive** **Director**
04 October 2010

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 Rupees	2009 Rupees
Cash flows from operating activities			
Cash generated from operations	*33*	**259,896,562**	44,944,319
Decrease in long term deposits		**15,120,960**	2,164,465
Television programs costs		**1,970,935**	(23,101,315)
Retirement benefits paid		**(5,946,780)**	(8,577,142)
Finance cost paid		**(48,550,189)**	(65,081,115)
Taxes paid		**(3,127,789)**	(3,405,511)
Net cash generated from/(used in) operating activities		**219,363,699**	(53,056,298)
Cash flow from investing activities			
Fixed capital expenditure		**(128,348,476)**	(324,677,479)
Intangible assets acquired		**-**	(422,000)
Sale proceeds of operating fixed assets		**7,896,320**	148,671,977
Proceed from sale of short term investment		**74,812,701**	2,453,751
Net cash used in investing activities		**(45,639,455)**	(173,973,751)
Cash flow from financing activities			
Repayment of long term finances-Net		**(90,600,509)**	(78,350,622)
Repayment of short term borrowings		**(26,344,553)**	(4,163,702)
Shares issuance cost-net		**-**	(20,910,592)
Repayment of finance lease liabilities-Net		**(47,495,757)**	(38,305,343)
Receipts against share issued		**-**	336,600,000
Net cash (used in) / generated from financing activities		**(164,440,819)**	194,869,741
Net increase/(decrease) in cash and cash equivalents		**9,283,425**	(32,160,309)
Cash and cash equivalents at the beginning of the year		**9,177,999**	41,338,308
Cash and cash equivalents at the end of the year	*14*	**18,461,424**	9,177,999

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

Lahore:
04 October 2010

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Share capital	Capital reserves	Revenue reserve	Total
		Share premium	Unappropriated profit/(loss)	
	(Rupees)			
Balance as at 30 June 2008	**1,004,782,580**	**97,134,032**	**23,662,528**	**1,125,579,140**
Shares issued	336,600,000	-	-	336,600,000
Shares issuance cost-net	-	(20,910,592)	-	(20,910,592)
Net loss for the year	-	-	(2,578,657)	(2,578,657)
Balance as at 30 June 2009	**1,341,382,580**	**76,223,440**	**21,083,870**	**1,438,689,890**
Net loss for the year	-	-	(73,627,367)	(73,627,367)
Balance as at 30 June 2010	**1,341,382,580**	**76,223,440**	**(52,543,497)**	**1,365,062,523**

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

Lahore:
04 October 2010

Chief Executive **Director**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1 The Company and its Operations

Media Times Limited (the "MTL" and or "Company") was incorporated in Pakistan on 26 June 2001 as a Private Limited Company under the Companies Ordinance, 1984 and was converted into Public Limited Company on 06 March 2007. The Company is listed on Karachi and Lahore Stock Exchanges. The registered office of the Company is located at 41-N, Industrial Area, Gulberg II, Lahore and is engaged in printing and publishing daily English and Urdu news papers by the name of "Daily Times" and "AajKal" respectively and also engaged in production, promotion, advertisement, distribution and broadcasting of television programs through satellite channels by the name of "Business Plus" and "Zaiqa"(formely Wikkid Plus) respectively. The principal places of the business for "Business Plus" and "Zaiqa" is situated at Suite No. 302-304, The Plaza, G-7, Block-9, Clifton Karachi and for Newspapers is at 41-N, Industrial Area, Gulberg II, Lahore. The company has also applied to (PEMRA) for grant of license for entertainment channel which is under the process of approval.

2 Summary of significant accounting policies

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

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, requirements of Companies Ordinance, 1984 or requirements of the said directives take precedence.

2.2 Accounting convention and basis of preparation

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

2.3 Significant accounting judgments and estimates

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

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

- Amortization of intangible assets - (note 2.7 & 4)
- Television program costs - (note 2.11 & 6)
- Useful life of depreciable assets- (note 2.6 & 3)
- Staff retirement benefits- (note 2.15 & 18)
- Taxation- (note 2.9 & 30)
- Provisions and contingencies- (note 2.20 & 24)

2.4 Change in Accounting Policy

Starting 01 July 2009,the company has changed its accounting policy in respect of 'Presentation of financial statements'.The company has applied Revised IAS 1 Presenatation of Financial Statements(2007) which became effective as of 01 January 2009.The standard required the company to present in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.In addition the standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement,or in two linked statements.The company has opted to present two statements.This presentation has been applied in these financial statements as of and for the year ended 30 June2010.

Comparative information has been re-presented so that it is in conformity with the revised / new standard as the change in accounting policy only affects presentation of financial statements.

2.5 Standards, interpretations and amendments to international accounting standards

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning on or after January 01, 2010.

Improvements to IFRSs 2009 – Amendments to IFRS 8 Operating Segments (effective for annual periods beginning on or after January 01, 2009). The amendments clarify that segment information with respect to total assets is required only if such information is regularly reported to the chief operating decision maker. The amendment is not relevant to the Company's operations.

Improvements to IFRSs 2009 – Amendments to IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after January 01, 2010). The amendments clarify that the classification of the liability component of a convertible instrument as current or non-current is not affected by terms that could, at the option of the holder of the instrument, result in settlement of the liability by the issue of equity instruments. These amendments are unlikely to have an impact on the Company's financial statements.

Improvements to IFRSs 2009 – Amendments to IAS 7 Statement of Cash Flows (effective for annual periods beginning on or after January 01, 2010). The amendments clarify that only expenditures that result in the recognition of an asset can be classified as a cash flow from investing activities. These amendments are unlikely to have an impact on the Company's financial statements.

Improvements to IFRSs 2009 – Amendments to IAS 36 Impairment of Assets (effective for annual periods beginning on or after January 01, 2010). The amendments clarify that the largest unit to which goodwill should be allocated is the operating segment level as defined in IFRS 8 before applying the aggregation criteria of IFRS 8. The amendments apply prospectively. The amendment is not relevant to the Company's operations.

Improvements to IFRSs 2009 – Amendments to IAS 39 Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after January 01, 2010). The amendments provide additional guidance on determining whether loan prepayment penalties result in an embedded derivative that needs to be separated; clarify that the scope exemption in IAS 39 paragraph 2(g) is restricted to forward contracts, i.e. not options, between an acquirer and a selling shareholder to buy or sell an acquiree that will result in a business combination at a future acquisition date within a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and clarify that the gains or losses on a cash flow hedge should be reclassified from other comprehensive income to profit or loss during the period that the hedged forecast cash flows impact profit or loss. The amendments apply prospectively to all unexpired contracts from the date of adoption. These amendments are unlikely to have an impact on the Company's financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters (effective for annual periods beginning on or after January 01, 2010). The IASB provided additional optional exemptions for first-time adopters contains a lease if the same assessment as that required by IFRIC 4 was made under previous GAAP; and allow entities in the oil and gas industry to use their previous GAAP carrying amounts as deemed cost at the date of transition for oil and gas assets. The amendment is not relevant to the Company's operations.

Standards, amendments to published standards and interpretations effective in current year - Certain amendments to IAS 23 'Borrowing Costs' have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after July 01, 2009. Adoption of these amendments has required the Company to capitalise the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing these borrowing costs has been removed. Its adoption did not have any impact on the Company's financial statements.

- IFRS 7 'Financial instruments – Disclosures' (Amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. These financial statements have been prepared under revised disclosure requirements. However, there is no impact on earnings per share.

2.5.1 Standards, amendments and interpretations to existing standards effective in current year but not applicable / relevant to the company's operations.

Standards or Interpretation	Effective date (accounting periods beginning on or after)
IFRS - 5 : Non-current Assets Held for Sale and Discontinued Operations	January 1, 2010
IAS - 17 : Leases	January 1, 2010
IFRS - 2 : Share-based Payment – Group Cash-settled Share-based Payment	January 1, 2010
IAS 32 : Financial Instruments: Presentation – Classification of Rights Issues	January 1, 2010

2.6 Fixed capital expenditure and depreciation

Property, plant and equipment

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

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

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

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

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

Finance leases

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

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

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

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

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

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

Capital work-in-progress

These are stated at cost less any identified impairment loss.

2.7 Intangible assets

Goodwill

Goodwill represents the difference between the cost of acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less impairment, if any.

Other intangible assets

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

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

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

2.8 Investments

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

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

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

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

2.9 Taxation

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

Current

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

Deferred

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

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

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

2.10 Inventories

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

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

2.11 Television program costs

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

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

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

2.12 Trade debts and other receivables

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

2.13 Trade and other payables

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

2.14 Financial liabilities

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

Interest bearing borrowings

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

Other financial liabilities

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

2.15 Retirement and other benefits

Defined benefit plan

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

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

2.16 Impairment losses

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

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

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

2.17 Foreign currencies

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

2.18 Revenue recognition

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

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

2.19 Borrowing cost

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

2.20 Provisions

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

2.21 Financial instruments

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

Offsetting of financial assets and financial liabilities

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

2.22 Segment reporting

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

2.23 Related Party transactions

All transaction involving related parties arising in the normal course of business are conducted at arms length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible, except in extremely rare circumstances where, it is in the interest of the Company to do so, subject to the approval of the board of directors.

	Note	2010 Rupees	2009 Rupees
3 Property, plant and equipment			
Operating assets	*3.1*	**1,234,004,913**	1,133,914,650
Capital work-in-progress-at cost	*3.3*	**90,344,625**	197,942,679
		1,324,349,538	1,331,857,329

3.1 Operating assets

	Land Freehold	Building on Freehold Land	Leasehold improvements	Plant and equipment		Office equipment		Computers		Furniture and Fixture	Vehicles		Total
				Owned	Under Finance Lease	Owned	Under Finance Lease	Owned	Under Finance Lease		Owned	Under Finance Lease	
							(Rupees)						
Net Carrying Value Basis													
Year Ended 30 June 2010													
Opening net book value (NBV)	-	-	63,747,871	877,567,725	71,296,988	47,296,817	118,258	22,947,943	152,622	10,773,391	4,145,538	35,867,497	1,133,914,650
Additions (at cost)	-	-	4,296,991	228,363,749	-	2,376,301	-	750,967	-	120,022	38,500	-	235,946,530
Transferred from Leased Assets													
Cost	-	-	-	-	-	-	-	-	-	-	12,616,817	(12,616,817)	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	(6,407,020)	6,407,020	-
	-	-	-	-	-	-	-	-	-	-	6,209,797	(6,209,797)	-
Disposals (at NBV)	-	-	-	(2,949,639)	-	(7,677)	-	(436,759)	-	-	(722,033)	(2,343,100)	(6,459,208)
Depreciation charge	-	-	(3,733,506)	(89,762,051)	(5,443,601)	(6,043,957)	(13,569)	(11,902,410)	(89,939)	(1,447,439)	(1,881,165)	(9,079,421)	(129,397,059)
Closing net book value (NBV)	**-**	**-**	**64,311,356**	**1,013,219,784**	**65,853,387**	**43,621,484**	**104,689**	**11,359,741**	**62,683**	**9,445,974**	**7,790,636**	**18,235,179**	**1,234,004,913**
Gross Carrying Value Basis													
At 30 June 2010													
Cost	-	-	73,089,962	1,217,485,247	77,434,060	61,551,936	135,688	48,077,549	272,541	14,562,060	23,340,454	34,971,038	1,550,920,535
Accumulated depreciation	-	-	(8,778,606)	(204,265,463)	(11,580,673)	(17,930,452)	(30,999)	(36,717,808)	(209,858)	(5,116,086)	(15,549,818)	(16,735,859)	(316,915,622)
Net book value	**-**	**-**	**64,311,356**	**1,013,219,784**	**65,853,387**	**43,621,484**	**104,689**	**11,359,741**	**62,683**	**9,445,974**	**7,790,636**	**18,235,179**	**1,234,004,913**
Net Carrying Value Basis													
Year Ended 30 June 2009													
Opening net book value (NBV)	20,400,263	28,913,819	59,228,091	773,279,975	87,435,381	51,536,542	131,826	31,998,396	242,561	13,710,680	4,216,923	47,863,792	1,118,958,249
Additions (at cost)	-	-	9,331,923	141,439,296	-	5,508,160	-	3,891,475	-	142,795	394,160	704,000	161,411,809
Transferred from Leased Assets													
Cost	-	-	-	11,257,675	(11,257,675)	-	-	-	-	-	768,050	(768,050)	-
Accumulated depreciation	-	-	-	(750,512)	750,512	-	-	-	-	-	(89,606)	89,606	-
	-	-	-	10,507,163	(10,507,163)	-	-	-	-	-	678,444	(678,444)	-
Disposals (at NBV)	(20,400,263)	(28,680,377)	(2,170,660)	(1,494,201)	-	(3,922,186)	-	(1,309,968)	-	(1,520,960)	(29,135)	(1,427,147)	(60,954,897)
Depreciation charge	-	(233,442)	(2,641,483)	(46,164,508)	(5,631,230)	(5,825,700)	(13,569)	(11,631,959)	(89,939)	(1,559,124)	(1,114,854)	(10,594,705)	(85,500,512)
Closing net book value (NBV)	-	-	63,747,871	877,567,725	71,296,988	47,296,816	118,257	22,947,944	152,622	10,773,391	4,145,538	35,867,496	1,133,914,650
Gross Carrying Value Basis													
At 30 June 2009													
Cost	-	-	68,792,971	992,309,697	77,434,060	59,206,692	135,688	48,756,156	272,541	14,442,038	10,875,137	52,453,344	1,324,678,324
Accumulated depreciation	-	-	(5,045,100)	(114,741,972)	(6,137,072)	(11,909,876)	(17,431)	(25,808,212)	(119,919)	(3,668,647)	(6,729,599)	(16,585,847)	(190,763,675)
Net book value	-	-	63,747,871	877,567,725	71,296,988	47,296,816	118,257	22,947,944	152,622	10,773,391	4,145,538	35,867,497	**1,133,914,650**
Depreciation Rate per annum %	**0**	**5**	**5**	**6.67-10**	**6.67-10**	**10**	**10**	**33**	**33**	**10**	**20**	**20**	

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

	2010 Rupees	2009 Rupees
Direct cost	**95,205,652**	46,453,484
Operating cost	**34,191,407**	32,446,518
Capital work in progress	-	6,600,510
	129,397,059	85,500,512

3.3 Capital work in progress - at cost

	2010 Rupees	2009 Rupees
Owned		
Land	-	38,087,806
Plant & equipment	**90,344,625**	140,854,873
Advances to suppliers	-	19,000,000
	90,344,625	197,942,679

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

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

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Sold to
Plant & Equipment						
Sony DSR-1800AP+DSBK1801,(Sr.# So1-0451698-J,So1-0151054-2)	586,077	58,608	527,469	415,651	Negotiation	ION Audio Visual
Sony LMD-1420 (S01-3305206-5,S01-	151,018	15,102	135,916	107,103	Negotiation	ION Audio Visual
Active Monitor M.# Genelec-8040A, Sr.# PM601685,PM 6016897	108,680	10,868	97,812	77,077	Negotiation	ION Audio Visual
Sony CCU Cable 100 meter, Sony CCZ-A100, Sr# 4 Remote Cable	542,858	54,286	488,572	385,000	Negotiation	ION Audio Visual
Sync Pulse Generator(Analog) Model: Video Tek VSG-201DP Sr.# 080800004	263,177	26,318	236,859	186,647	Negotiation	ION Audio Visual
Apple Mac Pro System	170,000	22,667	147,334	182,283	Negotiation	Pace Pakistan Limited
Cameras	691,092	17,277	673,815	552,884	Negotiation	Team Work Productions
Battery Chargers	101,282	2,532	98,750	81,027	Negotiation	Team Work Productions
View Finder	110,872	2,772	108,100	88,699	Negotiation	Team Work Productions
Servo Zoom & Focus Control	67,890	1,697	66,193	54,313	Negotiation	Team Work Productions
Camera Control Unit	175,806	4,395	171,411	140,648	Negotiation	Team Work Productions
Vehicles						
Suzuki Cultus	585,000	146,250	438,750	550,000	Negotiation	Drawing Room
Suzuki Cultus	585,000	146,250	438,750	585,000	Negotiation	Pace Pakistan Limited
Suzuki Mehran	360,000	90,000	270,000	335,000	Negotiation	Pace Pakistan Limited
Toyota Camry	2,750,000	1,420,833	1,329,167	3,000,000	Final Settlement	Mr. Najam Sethi
Suzuki Cultus	585,489	126,856	458,633	607,657	Negotiation	Ahmaed Fraz
Item with book value less than Rs. 50,000/-	1,870,078	1,098,399	771,679	547,331	Negotiation	Various Parties
Total	**9,704,319**	**3,245,109**	**6,459,210**	**7,896,320**		

4. Intangible assets

	Licences	Software	Goodwill	Total
		(Rupees)		
Net Carrying Value Basis				
Year Ended 30 June 2010				
Opening net book value (NBV)	3,710,962	337,600	149,729,808	153,778,370
Additions during the year	-	-	-	-
Amortization during the year	(266,800)	(337,600)	-	(604,400)
Closing net book value (NBV)	**3,444,162**	**-**	**149,729,808**	**153,173,970**
Gross Carrying Value Basis				
At 30 June 2010				
Cost	4,000,000	422,000	149,729,808	154,151,808
Accumulated amortization	(555,838)	(422,000)	-	(977,838)
Net book value	**3,444,162**	**-**	**149,729,808**	**153,173,970**
Net Carrying Value Basis				
Year Ended 30 June 2009				
Opening net book value (NBV)	3,977,766	-	149,729,808	153,707,574
Additions during the year	-	422,000	-	422,000
Amortization during the year	(266,804)	(84,400)	-	(351,204)
Closing net book value (NBV)	3,710,962	337,600	149,729,808	153,778,370
Gross Carrying Value Basis				
At 30 June 2009				
Cost	4,000,000	422,000	149,729,808	154,151,808
Accumulated amortization	(289,038)	(84,400)	-	(373,438)
Net book value	3,710,962	337,600	149,729,808	153,778,370
Amortization Rate % per annum	**6.67**	**-**	**-**	**-**

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

	Note	2010 Rupees	2009 Rupees
Direct Cost	*26*	**200,100**	133,404
Capital work in progress		**404,300**	217,800
		604,400	351,204

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

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

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

		Note	2010 Rupees	2009 Rupees
5	**Long term deposits**			
	Deposits with financial institutions		**10,079,147**	14,535,010
	Others		**9,914,526**	11,268,626
			19,993,673	25,803,636
	Less: Current maturity	*11*	**(10,008,747)**	(697,750)
			9,984,926	25,105,886
6	**Television Program costs**			
	Unreleased/released less amortization		**125,651,490**	172,282,688
	Less: Current Portion of television program cost		**73,016,734**	74,987,669
			52,634,756	97,295,019
7	**Deferred taxation**			
	This is composed of:			
	Liability for deferred taxation comprising temporary taxable differences related to:			
	Accelerated tax depreciation		**(243,387,122)**	(203,883,742)
	Asset for deferred taxation comprising deductable temporary differences related to:			
	Unused tax losses and tax credits		**337,363,195**	259,482,970
	Others		**9,005,668**	10,212,810
			102,981,740	65,812,038
8	**Inventories**		**24,156,017**	95,356,362

8.1 It also includes inventory in transit amounting to Rs. NIL (June 2009:20.5 million)

		2010 Rupees	2009 Rupees
9	**Trade debts**		
	Considered good - Unsecured		
	Receivable against advertisement	**172,971,984**	180,590,704
	Receivable against Newspaper	**10,351,593**	8,624,879
	Receivable against production & other services	**12,748,797**	-
		196,072,374	189,215,583
	Considered doubtful - Unsecured		
	Receivable against advertisement	**34,583,186**	22,052,921
	Receivable against Newspaper	**934,202**	1,283,472
		35,517,388	23,336,393
	Less: Provision for doubtful trade debts	**(35,517,388)**	(23,336,393)
		196,072,374	189,215,583

	Note	2010 Rupees	2009 Rupees
9.1 **Provision for doubtful debts**			
Opening balance		**23,336,393**	10,786,545
Addition during the period		**12,180,995**	12,549,848
		35,517,388	23,336,393

10 Loans and advances

	Note	2010 Rupees	2009 Rupees
Advances - Unsecured - Considered good			
-Salary	*10.1*	**3,252,433**	3,731,536
-Expense		**4,592,519**	6,885,983
-Supplier		**13,261,557**	24,239,032
		21,106,509	34,856,551

10.1 These are interest free and include advances given to executives of Rs. 1.72 million (June 2009 : Rs. 1.68 million) as per the company policy.

11 Deposit and prepayments

	Note	2010 Rupees	2009 Rupees
Short term deposits		**760,000**	763,107
Current maturity of long term deposits	*5*	**10,008,747**	697,750
Prepayments		**9,705,734**	18,316,003
		20,474,481	19,776,860

12 Other receivables

	Note	2010 Rupees	2009 Rupees
Advance tax		**17,428,410**	16,793,563
Others		**8,410,682**	14,355,335
		25,839,092	31,148,898

13 Short term investments

	Note	2010 Rupees	2009 Rupees
Placement - with others		**-**	75,000,000
		-	75,000,000

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

14 Cash and bank balances

	Note	2010 Rupees	2009 Rupees
At banks in			
Current accounts		**15,470,290**	4,270,836
Saving accounts	*14.1*	**1,804,363**	3,157,765
		17,274,653	7,428,601
Cash in hand		**64,841**	49,083
Cheques In Hand		**1,121,930**	1,700,315
		18,461,424	9,177,999

14.1 The balances in saving accounts bear mark up at the rate of 5% to 10% (June 2009: 5% to 10%) per annum.

		2010 Rupees	2009 Rupees
15	**Issued, subscribed and paid up capital**		
	91,158,598 (June 2009: 91,158,598) Ordinary Share of Rs. 10 each fully paid in cash	**911,585,980**	911,585,980
	42,979,660 (June 2009: 42,979,660)Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger.	**429,796,600**	429,796,600
		1,341,382,580	1,341,382,580
	Reconciliation of Issued, subscribed and paid up capital	**No of Shares**	
	Opening balance	**134,138,258**	100,478,258
	Issued as fully paid in cash	**-**	33,660,000
		134,138,258	134,138,258

15.1 Last year Company issued 33,660,000 ordinary shares of Rs. 10 each at a subscription price of Rs. 10 per share to general public through IPO.

15.2 First Capital Securities Corporation (FCSC), the associated company holds 30,049,669 (2009: 31,440,389) shares with a percentage of 22.40% (2009: 23.44%)

16 Share Premium

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

17 Long term finances

	Note	2010 Rupees	2009 Rupees
Banking companies and other financial institutions			
First National Bank Modarba - Secured	*17.1*	**10,000,000**	20,000,000
Soneri Bank Limited - Secured	*17.2*	**-**	52,812,500
		10,000,000	72,812,500
Associated companies - Unsecured	*17.3*	**391,629,002**	419,417,011
		401,629,002	492,229,511
Less: current portion shown under current liabilities			
First National Bank Modarba - Secured		**(10,000,000)**	(10,000,000)
Soneri Bank Limited - Secured		**-**	(16,250,000)
Associated companies - Unsecured		**-**	(125,663,460)
	23	**(10,000,000)**	(151,913,460)
		391,629,002	340,316,051

17.1 The Company has arranged a Modaraba finance from First National Bank Modaraba for an amount of Rs. 30 million (June 2009 : 30 million) against security of various equipment, Stores and Spares, Furniture & Fixture, Plant & Machinery, Vehicles etc. for the period of three years. The Mark up is charged @ 16.11% per annum based on Timely Payment Profit Rate(TPPR) payable on half yearly basis.

17.2 Long term financing availed from commercial bank under mark up arrangements for an amount of Rs. 65 million (June 2009: Rs. 65 million). Mark up is charged at 6 months KIBOR plus 3% per annum payable on quarterly basis. These are secured by way of first pari passu charge on fixed assets of the Company amounting to Rs. 100 million (June 2009: Rs. 100 million).

17.3 This represents unsecured long term loans from associated companies carrying mark-up at the rate 16.50 % to 18.00% per annum (June 2009:17.50% to 18%) payable on quarterly basis.

	2010 Rupees	2009 Rupees
18 Staff Retirement benefits		
Gratuity		
Amount recognized in the Balance Sheet are as follows:		
Present value of defined benefit obligation	**42,523,263**	34,469,852
Unrecognized actuarial Gains	**3,067,085**	2,614,381
Unrecognized transitional liability	**(360,486)**	(540,729)
Balance sheet liability at year end	**45,229,862**	36,543,504
18.1 **Movement in net obligation**		
Net liability beginning of the year	**36,543,504**	29,488,365
Additional liability due to transferred employees	**-**	260,000
Charge for the year	**14,633,138**	15,372,281
Paid during the year	**(5,946,780)**	(8,577,142)
Net liability at year end	**45,229,862**	36,543,504
18.2 **Movement in present value of defined benefit obligation is as follows:**		
Present value of defined benefit obligation at the beginning of the year	**34,469,852**	31,077,041
Current service cost	**10,316,513**	15,192,038
Interest cost	**4,136,382**	-
Additional liability due to transferred employees	-	260,000
Benefit paid during the year	**(5,946,780)**	(8,577,142)
Actuarial gain	**(452,704)**	(3,482,085)
Present value of defined benefit obligation at year end	**42,523,263**	34,469,852

	2010 Rupees	2009 Rupees
18.3 **Salaries, wages and other benefits include following in respect of retirement benefits**		
Current service cost	**10,316,513**	15,136,524
Interest cost	**4,136,382**	-
Actuarial losses charge	**-**	96,386
Liability charged due to application of IAS-19	**180,243**	139,371
Total amount chargeable to P&L account	**14,633,138**	15,372,281

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

18.5 **Principal actuarial assumptions**

	2010	2009
Discount rate	12% per annum	12% per annum
Expected rate of Eligible Salary increase in future years	10% per annum	10% per annum
Average expected remaining working life time of employees	12 years	12 years

	2010 Rupees	2009 Rupees	2008 Rupees	2007 Rupees
18.6 **Historical information for gratuity plan**				
Present value of defined benefit obligation	**42,523,263**	34,469,852	31,077,041	10,879,745
Actuarial experience adjustments on plan liabilities	**452,704**	3,482,085	799,514	(1,724,714)

	Note	2010 Rupees	2009 Rupees
19 Liabilities against assets subject to finance lease			
Present value of minimum lease payments		**29,239,167**	76,734,924
Less: Current portion shown under current liabilities	*23*	**(29,113,333)**	(44,889,696)
		125,834	31,845,228

Interest rate used as discounting factor ranging from 12.94% to 18.33% per annum (June 2009: 12.60 % to 20.16% per annum). Taxes, repairs, replacements and insurance costs are to be borne by lessee. Under the terms of the agreements, the Company has an option to acquire the assets at the end of the respective lease term by adjusting the deposit amount against the residual value of the asset and the Company intends to exercise the option. In case of default in payment of instalments the Company will be liable to pay additional lease rental on overdue payment at the rate of 0.1% per day (June 2009: 0.1% per day).

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

	2010			2009		
	Minimum Lease Payment	Finance charge for future periods	Present value of minimum lease payments	Minimum Lease Payment	Finance charge for future periods	Present value of minimum lease payments
		(Rupees)			(Rupees)	
Not later than one year	**30,133,478**	**1,020,145**	**29,113,333**	52,714,780	7,825,084	44,889,696
Later than one year but not later than five year	**126,713**	**879**	**125,834**	33,057,358	1,212,130	31,845,228
	30,260,191	**1,021,024**	**29,239,167**	85,772,138	9,037,214	76,734,924

		Note	2010 Rupees	2009 Rupees
20	**Trade and other payables**			
	Trade creditors		**63,718,973**	25,737,190
	Advance from Customers		**7,331,203**	9,700,211
	Accrued and other liabilities		**48,166,421**	30,676,734
	Sales tax payable		**2,968,561**	6,610,563
	Tax deducted at source		**6,658,327**	1,756,144
			128,843,485	74,480,842
21	**Interest and markup accrued**			
	Long term financing		**754,742**	6,148,999
	Short term borrowings		**-**	918,810
	Finance lease		**230,035**	14,786
			984,777	7,082,595
22	**Short term borrowing-secured**			
	Banking companies and other financial institutions			
	Running finance	*22.1*	**50,000,000**	50,000,000
	Finance against imported merchandise	*22.2*	**-**	16,750,037
	Unsecured- Book Overdraft		**1,262,745**	10,857,261
			51,262,745	77,607,298

22.1 Running Finance facility available from commercial bank under mark up arrangements amounts to Rs. 50 million (June 2009: Rs. 50 million). Mark up is charged at 3 months KIBOR plus 3.5 % per annum, payable on quarterly basis.It is secured by way of exclusive charge on present and future current and fixed assets of the Company.

22.2 This facility available from commercial bank under mark up arrangements amounts to Rs. 45.40 million (June 2009: Rs. 45.40 million). Mark up is charged at 3 months KIBOR plus 1.5% per annum.It is secured by way of pledge of imported news print papers at company's godowns.

22.3 This was due to issuance of cheques in excess of balance at bank.

		Note	2010 Rupees	2009 Rupees
23	**Current maturities of non-current liabilities**			
	Long term finances	*17*	**10,000,000**	151,913,460
	Liabilities against assets subject to finance lease	*19*	**29,113,333**	44,889,696
			39,113,333	196,803,156

24 Contingencies and commitments

24.1 The Assistant Commissioner of Inland Revenue Lahore has passed an order against the Company for alleged short payment of Rs. 6.87m u/s 11(2) and 36(1) and imposed a penalty, equivalent to the amount of original alleged short payment. The Company being aggrieved of the order of Assistant Commissioner has filed appeal before Commissioner Inland Revenue Appeals-III, Lahore. The Appeal has been heard for orders. Based upon the factual and legal grounds, the Management is confident that the matter will be decided in favor of the Company.

		2010 Rupees	2009 Rupees
24.2	Commitments in respect of capital expenditure	**814,524**	34,255,321
24.3	Commitments in respect of content/programs	**6,434,709**	7,955,109

25 Revenue -Net

	2010 Rupees	2009 Rupees
Advertisement	**502,306,808**	505,263,570
Newspaper	**60,084,216**	68,136,623
Printing-PTBB	**9,474,040**	-
Production and other services	**11,763,959**	25,637,826
	583,629,023	599,038,019
Less:		
Sales tax	**(13,340,583)**	(15,662,773)
Discount and commission	**(71,700,049)**	(78,959,823)
	(85,040,632)	(94,622,596)
	498,588,391	504,415,423

26 Direct costs

	2010 Rupees	2009 Rupees
Salaries, wages and benefits	**81,834,908**	88,812,077
Paper cost	**66,919,743**	73,540,444
Stores and spares	**13,271,638**	14,101,098
Printing Charges	**22,011,669**	19,243,629
Programming and content	**57,315,305**	45,964,236
Transmission and uplinking	**13,941,348**	12,107,106
Insurance	**2,737,174**	3,648,240
News agencies charges	**5,001,217**	4,330,816
Repair and maintenance	**3,086,514**	3,856,757
Utilities	**8,722,839**	8,935,964

		Note	2010 Rupees	2009 Rupees
	Freight and carriage		**2,887,773**	2,760,370
	Depreciation	*3.2*	**95,205,652**	46,453,484
	Amortization of intangible assets	*4.1*	**200,104**	133,404
	Others		**1,001,404**	931,317
			374,137,288	324,818,942

27 Operating costs

	Note	2010 Rupees	2009 Rupees
Salaries, wages and benefits		**66,653,096**	56,249,804
Rent, rates and taxes		**6,015,529**	17,862,779
Communications		**10,469,519**	12,479,216
Vehicle running and maintenance		**11,433,094**	13,451,067
Marketing, selling and distribution		**12,241,956**	7,129,840
Legal and professional		**2,595,897**	1,368,657
Insurance		**3,657,760**	3,581,794
Utilities		**7,818,328**	6,482,730
Printing and stationary		**2,521,655**	2,418,426
Entertainment		**6,171,113**	4,839,264
Travel and conveyance		**3,901,729**	5,398,876
Repairs and maintenance		**6,754,662**	4,849,275
Provision for doubtful trade debts		**12,180,995**	12,549,848
Fee and subscriptions		**2,243,850**	1,765,910
Postage and courier		**439,961**	533,940
Newspapers and periodicals		**852,448**	1,294,380
Auditor's remuneration	*27.1*	**507,500**	518,000
Depreciation	*3.2*	**34,191,407**	32,446,518
Amortization of deferred cost		**-**	-
Miscellaneous		**2,455,803**	1,877,457
		193,106,298	187,097,781

27.1 **Auditor's remuneration**

	2010 Rupees	2009 Rupees
Statutory audit fee	**300,000**	300,000
Half yearly review fee	**150,000**	150,000
Corporate Governance Review, Certifications and others	**50,000**	50,000
Out of pocket expenses	**7,500**	18,000
	507,500	518,000

28 Finance costs

	2010 Rupees	2009 Rupees
Mark-up on long term finances	**33,681,414**	26,078,232
Mark-up on short term finances	**5,540,533**	7,345,881
Financial charges on leased liabilities	**2,975,579**	4,062,761
Bank charges and commission	**254,845**	658,350
	42,452,371	38,145,224

		2010 Rupees	2009 Rupees
29	**Other operating income**		
	Income from financial assets		
	Profit on deposits with banks	**230,031**	777,675
	Income from non-financial assets		
	Rental income on Investment property	**-**	7,699,915
	Gain on disposal of operating fixed assets	**1,437,110**	6,557,250
	Interest on Placement	**7,089,695**	-
	Gain on sale of Investment property	**-**	1,994,305
	Loss on short term investment	**(187,299)**	-
	Miscellaneous	**(5,766,098)**	33,904
		2,573,408	16,285,374
		2,803,439	17,063,049
30	**Taxation**		
	Current year		
	Current	**2,492,942**	734,993
	Deferred	**(37,169,702)**	(21,915,211)
		(34,676,760)	(21,180,218)

31 Earnings per share-Basic & diluted

		2010	2009
Loss after taxation available for distribution to ordinary shareholders	*Rupees*	**(73,627,367)**	(2,578,657)
Weighted average number of ordinary shares	*Number*	**134,138,258**	115,284,106
(Loss) / Earnings per share-Basic & diluted	*Rupees*	**(0.55)**	(0.02)

32 Related party transactions

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

Associates:

	2010	2009
Rental Income	**-**	7,699,915
Purchase of goods and services	**8,202,767**	2,159,885
Sale of goods and services	**21,096,790**	40,967,485
Interest on loan	**70,090,247**	77,805,150
Sale of fixed assets / investment property	**-**	140,000,000
Loan repayment	**41,102,497**	-

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

	2010 Rupees	2009 Rupees
33 Cash generated from operations		
(Loss) before taxation	**(108,304,127)**	(23,758,875)
Adjustment for non-cash charges and other items:		
Depreciation	**129,397,059**	85,500,511
Amortization of intangible assets	**604,400**	351,204
Provision for doubtful receivables	**12,180,995**	12,549,848
Gain on disposal of operating fixed assets	**(1,437,110)**	(3,634,176)
Loss / (gain) on short term investment	**187,299**	(4,824,600)
Gain on disposal of investment property	-	(1,994,305)
Retirement benefits	**14,633,138**	15,632,281
Finance cost	**42,452,371**	38,145,224
Profit before working capital changes	**89,714,024**	117,967,112
Effect on cash flow due to working capital changes:		
Inventories	**71,200,345**	(21,731,481)
Television programs costs	**44,660,263**	(22,361,537)
Trade debts	**(19,037,786)**	14,419,983
Loans and advances	**13,750,042**	(19,142,176)
Deposit & prepayments	**(697,621)**	(4,995,916)
Other receivables	**5,944,652**	(2,115,835)
Trade and other payables	**54,362,643**	(17,095,830)
	170,182,538	(73,022,793)
	259,896,562	44,944,319

34 Remuneration of chief executive, directors and executives

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

	Directors		Executives	
	2010	2009	2010	2009
	(Rupees)		(Rupees)	
Managerial	**940,000**	2,106,667	**24,575,361**	28,601,338
Retirement benefits	**2,100,000**	2,000,000	**15,237,220**	14,261,000
Housing	**376,000**	842,667	**9,830,144**	11,440,536
Utilities	**94,000**	210,666	**2,457,536**	2,860,134
	3,510,000	5,160,000	**52,100,261**	57,163,008
Number of persons	**3**	3	**28**	41

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

No meeting fee was paid to directors during the year (June 2009: Rs. Nil)

No remuneration was paid to chief executive during the year (June 2009: Rs. Nil)

35 Financial instruments

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various source of finance to minimize the risk.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

35.1 Credit risk

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

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

35.1.1 Exposure to credit risk

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

	2010 Rupees	2009 Rupees
Trade debts	**196,072,374**	189,215,583
Loans and advances	**3,252,433**	3,731,536
Deposits & prepayments	**760,000**	763,107
Other receivables	**8,410,682**	14,355,335
Short term investments	**-**	75,000,000
Cash and bank balances	**18,461,424**	9,177,999
	226,956,913	292,243,560

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

	Rating Short Term	Rating Long Term	Rating Agency	2010 Rupees	2009 Rupees
Habib Metropolitian Bank Limited	A 1 +	AA +	PACRA	**178,656**	51,432
Bank Alfalah Limited	A 1 +	AA	PACRA	**86,945**	19,965
Faysal Bank Limited	A 1 +	AA	PACRA	**5,297,563**	5,889,967
KASB Bank Limited	A 2	A	PACRA	**3,075**	4,807
Standard Chartered Bank of Pakistan Ltd	A 1 +	AAA	PACRA	**11,624,920**	678,042
NIB Bank Limited	A 1 +	AA	PACRA	**29,073**	704,324
Arif Habib Bank Limited	A 2	A	JCR - VIS	**9,660**	9,660
Soneri Bank Limited	A 1 +	AA -	PACRA	**44,761**	70,404
				17,274,653	7,428,601

The age of trade debts at the reporting date was:

Past due but not impaired		
Past due 0 - 30 days	**70,644,869**	70,020,570
Past due 31 - 60 days	**24,154,093**	32,583,713
Past due 61 - 90 days	**27,956,932**	18,385,113
Past due 91 - 120 days	**15,010,609**	31,691,378
Past due 121 days	**58,305,871**	36,534,809
	196,072,374	189,215,583

As at 30 June 2010 trade debts of Rs. 35,517,388 (June 2009 : Rs. 23,336,393) were provided for.

35.2 Liquidity risk

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

The following are the contractual maturities of financial liabilities.

	2010			2009		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
Liabilities against assets subject to finance lease	**29,113,333**	**125,834**	**29,239,167**	44,889,696	31,845,228	76,734,924
Long term financing	**10,000,000**	**391,629,002**	**401,629,002**	151,913,460	340,316,051	492,229,511
Trade & other payables - Unsecured	**128,843,485**	**-**	**128,843,485**	74,480,842	-	74,480,842
Short term borrowing - secured	**51,262,745**	**-**	**51,262,745**	77,607,298	-	77,607,298
Interest accrued	**984,777**	**-**	**984,777**	7,082,595	-	7,082,595
	220,204,340	**391,754,836**	**611,959,176**	355,973,891	372,161,279	728,135,170

35.3 Market risk

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

35.3.1 Currency risk

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

35.3.2 Interest rate risk

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

	2010	2009
	Carrying amount (Rs.)	
Fixed rate instruments:		
Financial Assets	**-**	75,000,000
Financial liabilities	**391,629,002**	419,417,011
Variable rate instruments:		
Financial liabilities	**90,501,912**	227,154,722
Long Term Finances	**10,000,000**	72,812,500
Liabilities against assets subject to finance lease	**29,239,167**	76,734,924
Short term borrowings	**51,262,745**	77,607,298

Fair value sensitivity analysis for fixed rate instruments

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

Cash value sensitivity analysis for variable rate instruments

An increase of 1 % in interest rate at the reporting date would have increased mark up by Rs. 3,930,852 (June 2009 : Rs. 4,062,302). Similarly a decrease of 1 % in interest rate would have decrease mark up by a Rs. 3,933,640 (June 2009 : Rs. 4,062,302). This analysis assumes that all other variable remain constant.

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

35.3.3 Price risk

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

35.3.4 Fair value of financial instruments

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

35.4 Capital Risk Management

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

	2010 Rupees	2009 Rupees
Total Borrowings	**401,629,002**	492,229,511
Total Equity	**1,365,062,523**	1,438,689,890
Total Capital employed	**1,766,691,525**	1,930,919,401
Gearing Ratio	**23%**	25%

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

36 Segment reporting

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

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

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

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

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

- Electronic media division comprises of "Business Plus" and "Zaiqa”.

Segment analysis for the year ended 30 June 2010

	Print Media	Electronic Media (Rupees)	Total
Sales			
External sales			
Advertisement	396,688,554	105,618,254	502,306,808
Newspaper	60,084,216	-	60,084,216
Printing-PTBB	9,474,040	-	9,474,040
Production and other services	57,319	11,706,640	11,763,959
Sales tax	-	(13,340,583)	(13,340,583)
Discount and commission	(54,071,632)	(17,628,417)	(71,700,049)
Total revenue - net	412,232,497	86,355,894	498,588,391
Profit / (Loss) before tax and unallocated expenses	20,475,063	(128,779,190)	(108,304,127)
Unallocated corporate expenses			
Taxation			34,676,760
Loss after taxation			(73,627,367)
Segment assets and liabilities			
Segment assets	1,416,709,826	502,559,995	1,919,269,821
Unallocated segment assets	-	-	102,981,740
Consolidated total assets			2,022,251,561
Segment liabilities	518,476,219	138,712,819	657,189,038
Consolidated total liabilities			657,189,038

	Print Media	Electronic Media (Rupees)	Total
Segment capital expenditure	200,347,016	35,599,514	235,946,530
Depreciation and amortization	72,847,619	56,749,540	129,597,159

37 Date of authorization for issue

These financial statements were authorized for issue on 04 October 2010 by the Board of Directors.

38 General

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

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

Lahore: **04 October 2010**	**Chief Executive**	**Director**

FORM OF PROXY

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

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

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

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

____ of _____________________________________
(Name) *(Address)*

or failing him / her / Mr. / Mrs. / Miss. ____________________________ of _________________________
(Name) *(Address)*

[who is also member of the Company vide Registered Folio No. /CDC A/c. No. _____________ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my / our behalf at an Annual General Meeting of the Company to be held at the Head Office of the Company, 103-C/II, Gulberg-III, Lahore, on 30 October 2010 at 3:00 p.m. and at any adjournment thereof.

Signature this ___________________ Day of _________________ 2010.

(Witnesses)

1.___________________

2.___________________

Affix Revenue Stamp of Rupees Five

Signature _____________________________
(signature appended should agree with the specimen signature registered with the Company)

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.

3. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.