



PAKISTAN SERVICES LTD.

1st Floor, NESPAK House, Sector G-5/2, Islamabad
Tel: +92 51-2272890-8, Fax: +92 51-2878636
E-mail: psl@hashoogroup.com

OWNERS AND OPERATORS OF



Pearl-Continental
HOTELS & RESORTS

KARACHI

Tel: +92 21-111-505-505
Fax: +92 21-35681835
E-mail: pchk@hashoogroup.com

PESHAWAR

Tel: +92 91-111-505-505
Fax: +92 91-5276465
E-mail: pchp@hashoogroup.com

LAHORE

Tel: +92 42-111-505-505
Fax: +92 42-36362760
E-mail: pchl@hashoogroup.com

BHURBAN

Tel: +92 51-3355700
Fax: +92 51-3355574
E-mail: pchb@hashoogroup.com

RAWALPINDI

Tel: +92 51-111-505-505
Fax: +92 51-5563927
E-mail: pchr@hashoogroup.com

MUZAFFARABAD

Tel: +92 5822 438000-14
Fax: +92 5822 438046
E-mail: pchm@hashoogroup.com



Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2012

Cultured like no other pearl in the world™



Pearl-Continental, Rawalpindi



Pearl-Continental, Lahore



PAKISTAN SERVICES LTD.

Condensed Interim Financial Information (Unaudited)

for the six months period ended 31 December 2012



Pearl-Continental

HOTELS & RESORTS

Cultured like no other pearl in the world™

Vision Statement

We are committed to dynamic growth and service excellence built upon our heritage of traditional hospitality. We strive to consistently meet and surpass guests', employees' and other stakeholders' expectations. We feel pride in making efforts to position Pakistan in the forefront of the international arena.

Mission Statement

Secrets to our sustained leadership in hospitality are Excellency and Dynamism through offering competitive and innovative high quality value added services to our guests and business partners.

To meet the challenges of modern business, we constantly upgrade our operations and services in line with the latest technological facilities.

As a responsible corporate citizen, maintaining the highest level of governance, ethical standards and prudence.

Keeping close-watch at socio-political environment to make use of all available growth opportunities through aggressive and proactive approach.

Believe in strong and professional workforce by providing challenging and rewarding environment and equal respect to all through creating the sense of participation towards the success of our vision.



Corporate Profile/ Information

Pearl Continental Hotels, a chain owned and operated by Pakistan Services Limited, sets the international standards for quality hotel accommodation in South Asia. The Company manages 6 luxury hotels at Karachi, Lahore, Rawalpindi, Peshawar, Bhurban and Muzaffarabad; comprising 1,526 rooms with registered office in Islamabad, Pakistan.

BOARD OF DIRECTORS

Mr. Sadruddin Hashwani	Chairman
Mr. Murtaza Hashwani	Chief Executive Officer
Ms. Sarah Hashwani	
Mr. M. A. Bawany	
Mr. Mansoor Akbar Ali	
Syed Sajid Ali	
Mr. Muhammad Rafique	
Mr. Clive Anthony Webster	
Mr. Bashir Ahmed	

AUDIT COMMITTEE

Mr. Sadruddin Hashwani
Ms. Sarah Hashwani
Mr. Mansoor Akbar Ali
Syed Sajid Ali

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Sadruddin Hashwani
Mr. Murtaza Hashwani
Mr. M. A. Bawany
Mr. Bashir Ahmed

CHIEF FINANCIAL OFFICER

Mr. Muhammad Rafique

COMPANY SECRETARY

Mr. Mansoor Khan

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants
6th Floor, State Life Building No. 5
Jinnah Avenue, Blue Area Islamabad.

LEGAL ADVISOR

M/s Liaquat Merchant & Associates

BANKERS

National Bank of Pakistan
The Bank of Punjab
Habib Bank Limited
Soneri Bank Limited
United Bank Limited
Askari Bank Limited
Albaraka Islamic Bank (Pakistan) Limited
Allied Bank Limited
Bank Alfalah Limited
JS Bank Limited
KASB Bank Limited
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited

REGISTERED OFFICE

1st Floor, NESPAK House,
Sector G-5/2, Islamabad.
Tel: +92 51-2272890-8
Fax: +92 51-2878636
<http://www.psl.com.pk>
<http://www.pchotels.com>
<http://www.pchotels.biz>
<http://www.pchotels.com.pk>
<http://www.pearlcontinental.biz>
<http://www.pearlcontinental.com.pk>
<http://www.hashoogroup.com>
<http://www.hashoogroup.com.pk>
<http://www.hashoogroup.biz>
<http://www.hashoogroup.info>
<http://www.hashoo.info>

SHARE REGISTRAR

M/s Technology Trade (Private) Limited
Dagja House, 241-C, Block-2, PECHS,
Off Shahrah-e-Quaideen, Karachi.

Directors' Report

Dear Members

The Board of Directors of your Company takes pleasure in presenting the unaudited condensed interim financial information of the Company for the six months period ended 31 December 2012.

Overview

The US "fiscal cliff" has been postponed but it is looming large. The Euro-zone is showing mixed signs of recovery and Euro is gaining strength against US dollar and UK pound. The Chinese economy continues to grow but the Japanese recession is deepening. On the whole, the international economy is still not encouraging. But China continues to give buoyancy to the world trade and commerce and thus in a way is playing the role of balancing force for global economic stability.

In Pakistan, the economy is in stress and ailing. With IMF Loan repayments in progress, and increasing national indebtedness, there is severe pressure on the Pakistani Rupee. The fiscal deficit between the internal revenue and government expenditure continues to increase. The inflation is running in double digits putting pressure on the middle and the lower income group population. The incidents of terrorist attacks are a cause of concern. The serious shortage of electrical energy and gas is thwarting the industrial activity of Pakistan. The political situation both at home and in relation to immediate neighbours: India and Afghanistan, remains uneasy.

Against all odds, the people of Pakistan continue to show extraordinary resilience. The overseas Pakistani have made a record remittance of US\$ 8.20 billion during July-January of the current financial year 2012-2013, marking a growth of 10.36% when compared with the receipts during the correspondence period of the last financial year. The younger generation, which constitutes bulk of the population of Pakistan, is upbeat and loses no opportunity to explore new avenues of employment and entertainment. The demand for Pearl Continental (PC) hotel rooms in Bhurban resort, Lahore and Karachi has witnessed a robust growth. The PC Hotel, Muzaffarabad is standing on its own in terms of revenues. The number of national and international events in the provincial centres and Federal Capital drawing corporate clients from within the country as well as visitors from abroad is steadily increasing.

Your Company's formidable team of highly experienced and well-trained professionals in all facets of Hotel Industry has delivered excellent performance results as evident through the revenue figures. The net revenue during the period under review was Rs.3,175 million against Rs.2,506 million of the corresponding period of the last year. This shows an increase of Rs.669 million in the six months period ended 31 December 2012.

The profit before tax and gain on re-measurement of listed securities during the period under report yielded Rs.590 million. Besides, the healthy performance of Stock Market contributed another Rs.119 million towards unrealized gain on revaluation of Company's investment in the marketable securities. As against this, in the corresponding period of last year, the Company had to book unrealized loss of Rs.50 million.

After tax profit for the period, July 01 to December 31, 2012, under report worked out to Rs.511 million as compared to Rs.206 million achieved in the same period of last year.

Company's overall performance at a glance:

For the six months period ended 31 December

	2012	2011
	(Rupees '000)	
Sales and services-net	3,174,696	2,505,629
Gross profit	1,292,554	985,484
Profit before taxation	708,633	304,663
Profit after taxation	511,292	206,159
Earnings per share (Rupees)	15.72	6.34

Rooms Revenue

The Rooms' revenue (exclusive of GST) was Rs.1,364 million during the period under report as against Rs.1,026 million (exclusive of GST) of the corresponding period of last year, which means an increase of Rs.338 million in the Rooms Revenue. The average occupancy of guestrooms was 62 percent as against 51 percent in the corresponding period of last year. The Average Daily Room Rate (ADR) improved from Rs.7,545 to Rs.7,779.

Food & Beverage Revenue

The Food & Beverage Sales (exclusive of GST) stood at Rs.1,647 million as against Rs.1,336 million last year. The increase in revenue under this head is Rs. 311 million, marking about 23% growth.

Other Related Services, Shop License Fees & Tour Division

The Revenue (exclusive of GST) from these minor operating segments for the period under report was Rs.164 million as compared to Rs.144 million of the corresponding period of last year. The increase is nearly 14 percent over the last year.

Future Prospects

We have faith in the people of Pakistan. We know through experience their urge and capacity to overcome any adversity. The Company is doing well in terms of excellence in standards of services and revenues. Our efforts are relentless to improve the quality of services and the comfort level of the guests. Restaurants undergo upgrades frequently and new specialty outlets are also being created. Most recent example of that is class Japanese restaurant "Sakura" at the PC Hotel Lahore. Pearl Care programme is practiced meticulously at all the PC hotels to keep the guestrooms in perfect order. Special suites are being developed on the 2nd Floor of PC Lahore, which will have latest LCD TVs and classy furnishings. The TVs, computers, monitors, and printers are being replaced in phases to remain current with technology. Internet bandwidth has been increased to meet with additional demand of our guests for high speed wired and wireless (Wi-Fi) Internet services.

At the PC Hotel, Rawalpindi the Wi-Fi service is being modernized for enhancement of coverage and signal strength. Two new elevators for guests' use have also been put into service at this property. The Company not only pays attention to what is visible out in the front but also the plant room that is working behind the scene. In that perspective, the special focus of our engineers are the critical areas such as the air-conditioning system, in-house electricity generators, electricity distribution system and the boilers that are undergoing preventive maintenance as well as balancing, modernization and replacement. The energy saving campaign at all the hotels of the Company is being vigorously pursued, which is yielding savings even when the prices of fuel and electricity are continuously rising.

New Fire Alarm Systems are under installation at the PC Karachi and the PC Peshawar. The safety of our guests and security of the hotel weighs heavily on the management who are modernizing and expanding the security systems and deploying the required number of security staff.

The Company is thus making heavy investments in across-the-board improvements in all its hotels to remain way ahead of its competitors by continually giving new and fresh look to the guestrooms and restaurants. The future is in our own hands to shape and we have every resolve to keep lending our hand to the economic development of Pakistan.

Consolidated Results

Company's total revenue based on the consolidated financial results for the six months period under report was Rs.3,224 million as against Rs.2,555 million in the corresponding period of last year, reflecting an increase of Rs.669 million. It is showing a growth of 26 percent. Profit before tax worked out to Rs.552 million in comparison with Rs.487 million of the corresponding period of last year. Profit after tax for the period under report was recorded at Rs.345 million as against Rs.371 million of the same period last year.

Acknowledgement

The Board of Directors places on record its deep appreciation for the services rendered by highly motivated staff of the Company. Without their professional competence, and hard work on new horizons to find "out of the box" solutions to business challenges, the Company could not have done so well in revenue growth despite the testy times. While mentioning the contributions of employees, the Board also acknowledges the dedicated services of the experts, consultants and all those who have contributed in one way or the other towards Company's interests. And finally, it thanks Company's bankers, shareholders, and valued guests for their strong support and confidence in the management.

For and on behalf of the Board of Directors



M. A. Bawany
Director

Rawalpindi: 21 February 2013



Muhammad Rafique
Director

Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Pakistan Services Limited ("the Company") as at 31 December 2012, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (the interim financial information).

Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

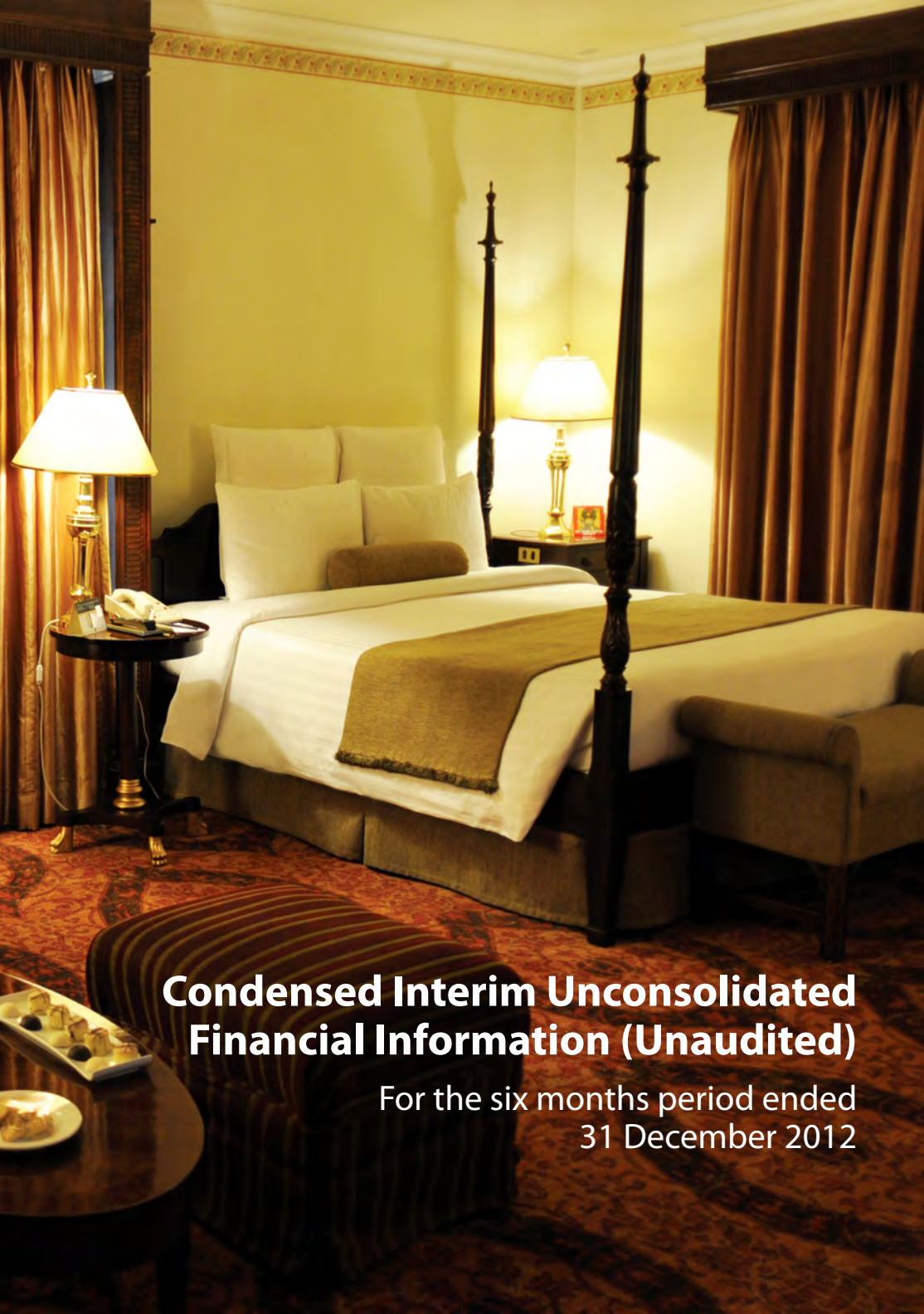
The figures for the three months period ended 31 December 2012, in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Islamabad: 21 February 2013



KPMG Taseer Hadi & Co.
Chartered Accountant
Engagement Partner: Riaz Pesnani





**Condensed Interim Unconsolidated
Financial Information (Unaudited)**

For the six months period ended
31 December 2012

Condensed Interim Unconsolidated Balance Sheet As at 31 December 2012

	Unaudited 31 December 2012	Audited 30 June 2012
	Note	(Rupees'000)
SHARE CAPITAL AND RESERVES		
Authorised share capital 50,000,000 (30 June 2012: 50,000,000) ordinary shares of Rs.10 each		500,000
Issued, subscribed and paid up share capital		325,242
Reserves		1,869,424
Unappropriated profit		2,041,979
		4,747,937
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		19,988,725
NON CURRENT LIABILITIES		
Long term financing - secured	4	466,667
Liabilities against assets subject to finance lease	5	583,333
Long term deposits		24,029
Deferred liabilities		50,266
		411,509
		996,765
CURRENT LIABILITIES		
Trade and other payables		1,442,830
Markup accrued		1,328,562
Short term borrowings - secured		32,439
Current portion of long term borrowings	6	170,049
Provision for taxation - net		63,936
		254,956
		52,719
		1,952,993
		1,648,427
		27,686,420
		26,948,671
CONTINGENCIES AND COMMITMENTS		
	7	

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.

		Unaudited 31 December 2012	Audited 30 June 2012
NON CURRENT ASSETS	Note	(Rupees'000)	
Property, plant and equipment	8	22,532,769	22,507,365
Advance for capital expenditure		1,341,809	962,220
Investment property		47,000	47,000
Long term investments		1,428,457	1,315,377
Advance for equity investment	9	12,500	113,080
Long term deposits		20,384	13,385
		25,382,919	24,958,427

CURRENT ASSETS

Stores, spare parts and loose tools	111,654	101,538
Stock in trade - food and beverages	78,502	65,589
Trade debts	645,666	463,439
Advances	624,030	570,211
Trade deposits and prepayments	60,505	59,188
Interest accrued	47,580	7,729
Other receivables	32,998	30,724
Other financial assets	613,095	493,887
Non current assets held for sale	-	55,955
Advance tax - net	-	13,215
Cash and bank balances	89,471	128,769
	2,303,501	1,990,244
	27,686,420	26,948,671


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited) For the six months period ended 31 December 2012

	Note	Three months ended 31 December		Six months ended 31 December	
		2012	2011	2012	2011
		(Rupees'000)			
Sales and services - net	10	1,707,606	1,323,400	3,174,696	2,505,629
Cost of sales and services	11	(933,602)	(762,802)	(1,882,142)	(1,520,145)
Gross profit		774,004	560,598	1,292,554	985,484
Administrative expenses		(364,425)	(325,905)	(705,565)	(628,767)
Other operating expenses		-	(33,071)	-	(49,800)
Finance cost		(48,448)	(48,834)	(90,231)	(96,142)
Other operating income		80,167	47,991	211,875	93,888
Profit before taxation		441,298	200,779	708,633	304,663
Taxation		(138,402)	(49,454)	(197,341)	(98,504)
Profit for the period		302,896	151,325	511,292	206,159
Earnings per share - basic and diluted (Rupees)	12	9.31	4.65	15.72	6.34

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Statement under section 241 (2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited) For the six months period ended 31 December 2012

	Three months ended 31 December		Six months ended 31 December	
	2012	2011	2012	2011
	(Rupees'000)			
Profit for the period	302,896	151,325	511,292	206,159
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	302,896	151,325	511,292	206,159

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited) For the six months period ended 31 December 2012

	Six months ended 31 December	
	2012	2011
	(Rupees'000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	708,633	304,663
Adjustments for:		
Depreciation	135,640	107,402
Gain on disposal of property, plant and equipment	(5,995)	-
Gain on disposal of non current assets held for sale	(1,545)	-
Provision for staff retirement benefit - gratuity	27,520	20,460
Provision for doubtful debts	14,898	4,776
Return on bank deposits and short term advance	(42,750)	(46,552)
Finance cost	90,231	96,142
Dividend income	(113)	(875)
Unrealised (gain)/ loss on remeasurement of investments to fair value - net	(119,208)	49,786
	807,311	535,802
Working capital changes (Increase) / decrease in current assets		
Stores, spare parts and loose tools	(10,116)	(10,536)
Stock in trade - food and beverages	(12,913)	(8,980)
Trade debts	(197,125)	(80,345)
Advances	(53,819)	(37,386)
Trade deposits and prepayments	(1,317)	(9,161)
Other receivables	(2,274)	(11,620)
Increase / (decrease) in current liabilities		
Trade and other payables	114,268	(1,212)
Cash used in operations	(163,296)	(159,240)
Staff retirement benefit - gratuity paid	(13,988)	(9,037)
Income tax paid	(151,059)	(157,271)
Finance cost paid	(90,115)	(87,840)
Net cash generated from operating activities	388,853	122,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(106,267)	(200,357)
Additions to advance for capital expenditure	(370,350)	-
Proceeds from disposal of property, plant and equipment	11,295	-
Advance for equity investment	(12,500)	(26,550)
Proceeds from disposal of non current assets held for sale	57,500	35,700
Dividend income received	113	875
Receipts of return on bank deposits and letters of placements	2,899	48,333
Long term deposits	(6,617)	950
Net cash used in investing activities	(423,927)	(141,049)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(100,000)	(36,000)
Repayment of lease liability	(10,337)	-
Net cash used in financing activities	(110,337)	(36,000)
Net decrease in cash and cash equivalents	(145,411)	(54,635)
Cash and cash equivalents at beginning of the period	64,833	(313,241)
Cash and cash equivalents at end of the period	(80,578)	(367,876)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	89,471	112,275
Running finance	(170,049)	(480,151)
	(80,578)	(367,876)

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited) For the six months period ended 31 December 2012

Share capital	Capital reserve	Revenue reserves		Total equity
	Share premium	General reserve	Unappropriated profit	

(Rupees'000)

Balance at 01 July 2011 325,242 269,424 1,600,000 1,258,128 3,452,794

Changes in equity for the period ended 31 December 2011

Total comprehensive income for the period

Profit for the period	-	-	-	206,159	206,159
Total comprehensive income for the period	-	-	-	206,159	206,159

Balance at 31 December 2011 325,242 269,424 1,600,000 1,464,287 3,658,953

Balance at 01 July 2012 325,242 269,424 1,600,000 2,041,979 4,236,645

Changes in equity for the period ended 31 December 2012

Total comprehensive income for the period

Profit for the period	-	-	-	511,292	511,292
Total comprehensive income for the period	-	-	-	511,292	511,292

Balance at 31 December 2012 325,242 269,424 1,600,000 2,553,271 4,747,937

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

1. STATUS AND NATURE OF BUSINESS

Pakistan Services Limited ("the Company") was incorporated on 6th December 1958 in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) as a public limited company and is quoted on Karachi Stock Exchange Limited. The Company is principally engaged in hotel business and owns and operates the chain of Pearl Continental Hotels in Pakistan and Azad Jammu and Kashmir. The Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2012 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim unconsolidated financial information do not include that reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2012. Comparative unconsolidated balance sheet is extracted from the audited annual unconsolidated financial statements as of 30 June 2012, whereas comparative unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information for the six months period ended 31 December 2011.

This condensed interim unconsolidated financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim unconsolidated financial information and financial risk management policy are the same as those applied in preparation of audited annual unconsolidated financial statements for the year ended 30 June 2012. The following approved standards, amendments and interpretations of approved accounting standards become effective during the period are not expected to have significant impact on the Company's condensed interim financial information:

Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income	(effective 01 July 2012)
Amendments to IAS 12 – deferred tax on investment property	(effective 01 July 2012)

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

	Unaudited 31 December 2012	Audited 30 June 2012
4. LONG TERM FINANCING - secured		
	(Rupees'000)	
From banking companies:		
The Bank of Punjab	416,667	500,000
Askari Bank Limited	283,333	300,000
	700,000	800,000
Current portion	(233,333)	(216,667)
	466,667	583,333

The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2012.

	Unaudited 31 December 2012	Audited 30 June 2012
5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
	(Rupees'000)	
Present value of minimum lease payments		
Balance at beginning of the period / year	30,968	-
Additions during the period / year	69,315	32,749
Repayments made during the period / year	(10,337)	(1,781)
	89,946	30,968
Current portion	(21,623)	(6,939)
	68,323	24,029

During the period the Company availed a fresh lease finance facility of Rs.69.315 million from M/s First Habib Modaraba (30 June 2012: Nil) out of total limit of Rs.75 million. This facility carries markup equal to 3- month KIBOR plus 1.30% per annum (30 June 2012: Nil) and secured by way of ownership of leased vehicles.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

	31 December 2012	30 June 2012	Unaudited 31 December 2012	Audited 30 June 2012
6. SHORT TERM BORROWINGS - secured	Facility limit		(Rupees'000)	
	Rupees in million			
Running finance from banking companies				
National Bank of Pakistan	650	650	8,406	3,623
Habib Bank Limited	350	350	5,970	538
Soneri Bank Limited	100	100	131	59,775
The Bank of Punjab	250	50	155,542	-
	<u>1,350</u>	<u>1,150</u>	<u>170,049</u>	<u>63,936</u>

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2012 except the following:

- Facility limit extended by The Bank of Punjab enhanced from Rs. 50 million to Rs. 250 million with reduction in its pricing from 3- month KIBOR plus 2.5% per annum to 3- month KIBOR plus 1.5% per annum. The security against this facility provided earlier has been enhanced to cover the additional borrowing.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Contingencies are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2012, except for the guarantees and commitments as disclosed below:

	Unaudited 31 December 2012	Audited 30 June 2012
	(Rupees'000)	
7.1.1 Guarantees	<u>109,128</u>	<u>108,478</u>
7.2 Commitments		
Commitments for capital expenditure	<u>65,762</u>	<u>277,957</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

8. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31 December 2012			Audited 30 June 2012		
	Owned assets	Leased assets	Total	Owned assets	Leased assets	Total
	----- (Rupees '000) -----					
Carrying value at beginning of the period/ year	22,476,378	30,987	22,507,365	21,990,412	-	21,990,412
Additions during the period/ year	107,435	58,909	166,344	792,151	31,550	823,701
Disposals/ transfer during the period/ year	(5,300)	-	(5,300)	(8,013)	-	(8,013)
Transfer to non current assets held for sale	-	-	-	(55,955)	-	(55,955)
Impairment loss on revalued assets	-	-	-	(19,045)	-	(19,045)
Depreciation charge for the period/ year	(130,758)	(4,882)	(135,640)	(223,172)	(563)	(223,735)
Carrying value at end of the period/ year	22,447,755	85,014	22,532,769	22,476,378	30,987	22,507,365

9. ADVANCE FOR EQUITY INVESTMENT

This represents advance given to wholly owned subsidiary company M/s Musafa International (Private) Limited for issuance of 125,000 ordinary shares of Rs. 100/- each.

	Three months ended 31 December		Six months ended 31 December	
	2012	2011	2012	2011
	(Rupees'000)			
Rooms	881,020	648,527	1,611,681	1,206,132
Food and beverages	1,030,211	822,756	1,929,421	1,559,942
Other related services	105,455	79,949	189,379	162,371
Shop license fees	2,843	1,820	4,562	3,513
	2,019,529	1,553,052	3,735,043	2,931,958
Discounts and commissions	(22,114)	(6,572)	(28,278)	(11,806)
Sales tax	(289,809)	(223,080)	(532,069)	(414,523)
	1,707,606	1,323,400	3,174,696	2,505,629

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

11. COST OF SALES AND SERVICES	Three months ended 31 December		Six months ended 31 December	
	2012	2011	2012	2011
	(Rupees'000)			
Food and beverages				
Opening balance	81,408	61,247	65,589	53,833
Purchases during the period	302,599	243,734	595,684	481,899
	<u>384,007</u>	<u>304,981</u>	<u>661,273</u>	<u>535,732</u>
Closing balance	(76,950)	(62,813)	(76,950)	(62,813)
Consumption during the period	<u>307,057</u>	<u>242,168</u>	<u>584,323</u>	<u>472,919</u>
Direct expenses				
Salaries, wages and benefits	222,669	196,192	440,202	386,177
Heat, light and power	140,631	122,978	367,192	277,814
Repairs and maintenance	88,599	53,905	148,729	101,379
Depreciation	60,957	53,111	122,076	96,661
Guest supplies	40,398	32,488	79,798	64,301
Linen, china and glassware	26,377	24,630	51,732	47,012
Communication and other related services	14,073	14,953	28,016	29,291
Banquet and decoration	16,133	8,718	26,265	18,628
Transportation	9,430	5,173	15,524	9,144
Uniforms	5,312	4,940	10,788	9,626
Music and entertainment	1,520	1,680	3,308	3,269
Others	446	1,866	4,189	3,924
	<u>933,602</u>	<u>762,802</u>	<u>1,882,142</u>	<u>1,520,145</u>
12. EARNINGS PER SHARE				
Profit for the period (Rupees '000)	<u>302,896</u>	<u>151,325</u>	<u>511,292</u>	<u>206,159</u>
Weighted average number of ordinary shares (Numbers)	<u>32,524,170</u>	<u>32,524,170</u>	<u>32,524,170</u>	<u>32,524,170</u>
Earnings per share- basic (Rupees)	<u>9.31</u>	<u>4.65</u>	<u>15.72</u>	<u>6.34</u>

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

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

13. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors and their close family members, companies with common directorship, executives, key management personnel, major shareholders and staff retirement fund of the Company. Transactions with related parties are as follows:

	Six months ended 31 December	
	2012	2011
	(Rupees'000)	
Transactions with subsidiary companies		
Sales	783	254
Services provided	1,277	1,044
Services availed	20,528	18,242
Advance for equity investment	12,500	26,550
Investment made during the period	113,080	92,960
Transactions with associated undertakings		
Sales	883	1,173
Services provided	2,534	13,034
Services availed	41,414	44,141
Purchases	74,564	85,541
Purchase of air tickets	10,489	6,329
Purchase of property, plant and equipment	10,215	2,421
Advance for purchase of land	53,788	-
Contribution to the defined contribution plan	11,460	10,037
Donation	10,000	36,500
Interest on short term advance	38,766	43,353
Transactions with key management personnel		
Remuneration and allowances	22,369	31,236

14. DATE OF AUTHORISATION FOR ISSUE

This unaudited condensed interim unconsolidated financial information was authorised for issue by the Board of Directors of the Company in its meeting held on 21 February 2013.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director





**Condensed Interim Consolidated Financial
Information (Unaudited)**

For the six months period ended
31 December 2012

Condensed Interim Consolidated Balance Sheet

As at 31 December 2012

		Unaudited 31 December 2012	Audited 30 June 2012
SHARE CAPITAL AND RESERVES			
	Note	(Rupees'000)	
Authorised share capital		500,000	500,000
50,000,000 (30 June 2012: 50,000,000) ordinary shares of Rs.10 each			
Issued, subscribed and paid up share capital		325,242	325,242
Reserves		2,625,109	2,564,890
Unappropriated profit		2,188,161	1,842,756
		5,138,512	4,732,888
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		19,988,725	19,988,725
NON CURRENT LIABILITIES			
Long term financing - secured	4	466,667	583,333
Liabilities against assets subject to finance lease	5	68,323	26,024
Long term deposits		50,266	49,884
Deferred liabilities		433,948	431,512
		1,019,204	1,090,753
CURRENT LIABILITIES			
Trade and other payables		1,433,340	1,333,092
Markup accrued		32,439	32,323
Short term borrowings - secured	6	170,049	63,936
Current portion of long term borrowings		257,542	229,595
Provision for taxation - net		30,501	-
		1,923,871	1,658,946
		28,070,312	27,471,312
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Statement under section 241 (2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.

		Unaudited 31 December 2012	Audited 30 June 2012
NON CURRENT ASSETS	Note	(Rupees'000)	
Property, plant and equipment	8	23,018,583	23,016,357
Advance for capital expenditure		1,341,809	962,220
Investment property		47,000	47,000
Long term investments		1,894,570	1,852,348
Long term deposits		21,914	17,048
		26,323,876	25,894,973
CURRENT ASSETS			
Stores, spare parts and loose tools		111,654	101,538
Stock in trade - food and beverages		78,502	65,589
Trade debts		661,220	484,135
Advances		626,311	573,255
Trade deposits and prepayments		63,906	65,056
Interest accrued		48,164	8,364
Other receivables		25,028	22,957
Other financial assets		26,797	24,884
Non current assets held for sale		-	55,955
Advance tax - net		-	33,816
Cash and bank balances		104,854	140,790
		1,746,436	1,576,339
		28,070,312	27,471,312


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the six months period ended 31 December 2012

	Note	Three months ended 31 December		Six months ended 31 December	
		2012	2011	2012	2011
(Rupees'000)					
Sales and services - net	9	1,734,002	1,344,982	3,224,262	2,555,322
Cost of sales and services	10	(959,353)	(772,980)	(1,934,943)	(1,548,618)
Gross profit		774,649	572,002	1,289,319	1,006,704
Administrative expenses		(375,024)	(337,060)	(725,242)	(648,630)
Other operating expenses		-	(76,024)	-	(76,403)
Finance cost		(48,519)	(49,435)	(90,391)	(97,517)
Other operating income		68,428	49,530	183,967	97,669
		419,534	159,013	657,653	281,823
Share of (loss) / gain in equity accounted investments		(119,247)	198,567	(105,632)	204,747
Profit before taxation		300,287	357,580	552,021	486,570
Taxation		(146,559)	(63,672)	(206,616)	(115,294)
Profit for the period		153,728	293,908	345,405	371,276

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) For the six months period ended 31 December 2012

	Three months ended 31 December		Six months ended 31 December	
	2012	2011	2012	2011
	(Rupees'000)			
Profit for the period	153,728	293,908	345,405	371,276
Other comprehensive income for the period				
Exchange gain on translation of long term investments	46,469	50,783	53,526	55,587
Exchange gain on translation of capital reserve	5,831	4,116	6,693	18,954
Total comprehensive income for the period	206,028	348,807	405,624	445,817

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Consolidated Cash Flow Statement (Unaudited) For the six months period ended 31 December 2012

	Six months ended 31 December	
	2012	2011
	(Rupees'000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	552,021	486,570
Adjustments for:		
Depreciation	163,688	113,354
Gain on disposal of property, plant and equipment	(6,826)	(1,942)
Gain on disposal of non current assets held for sale	(1,545)	-
Provision for staff retirement benefit - gratuity	27,520	20,460
Provision for doubtful debts	14,898	4,776
Return on bank deposits, term deposits receipts and short term advance	(44,108)	(47,780)
Share of loss / (profit) in equity accounted investments	105,632	(204,747)
Finance cost	90,391	97,517
Dividend income	(113)	(875)
Unrealised (gain) / loss on remeasurement of investments to fair value - net	(1,218)	2,011
Impairment (reversal) / loss on investment in associated companies	(87,635)	74,378
	<u>812,705</u>	<u>543,722</u>
Working capital changes (Increase) / decrease in current assets		
Stores, spare parts and loose tools	(10,116)	(10,536)
Stock in trade - food and beverages	(12,913)	(8,980)
Trade debts	(191,983)	(87,035)
Advances	(53,056)	(36,940)
Trade deposits and prepayments	1,150	(9,173)
Other receivables	(2,071)	(6,869)
Increase/ (Decrease) in current liabilities		
Trade and other payables	100,248	(19,571)
Cash used in operations	<u>(168,741)</u>	<u>(179,104)</u>
Staff retirement benefit - gratuity paid	(13,988)	(9,037)
Income tax paid	(153,397)	(159,397)
Finance cost paid	(90,275)	(89,215)
Net cash generated from operating activities	<u>386,304</u>	<u>106,969</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(111,503)	(223,993)
Additions to advance for capital expenditure	(370,350)	-
Proceeds from disposal of property, plant and equipment	12,493	3,143
Proceeds from disposal of non current assets held for sale	57,500	35,700
Purchase of other financial assets	(695)	(14,954)
Dividend income received	113	875
Receipts of return on bank deposits, letters of placements and term deposits receipts	4,308	49,151
Long term deposits	(4,484)	950
Net cash used in investing activities	<u>(412,618)</u>	<u>(149,128)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(100,000)	(36,000)
Repayment of lease liability	(15,735)	(7,557)
Net cash used in financing activities	<u>(115,735)</u>	<u>(43,557)</u>
Net decrease in cash and cash equivalents	(142,049)	(85,716)
Cash and cash equivalents at beginning of the period	76,854	(271,797)
Cash and cash equivalents at end of the period	<u>(65,195)</u>	<u>(357,513)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	104,854	122,638
Running finance	(170,049)	(480,151)
	<u>(65,195)</u>	<u>(357,513)</u>

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the six months period ended 31 December 2012

Share capital	Capital reserve		Revenue reserves			Total equity
	Share premium	Share of associate's capital reserve	General reserve	Exchange gain on translation of long term investments	Unappropriated profit	

(Rupees'000)

Balance at 01 July 2011 325,242 269,424 147,221 1,600,000 385,227 1,172,092 3,899,206

Changes in equity for the period ended 31 December 2011

Total comprehensive income for the period

Profit for the period	-	-	-	-	-	371,276	371,276
Other comprehensive income for the period	-	-	18,954	-	55,587	-	74,541
Total comprehensive income for the period	-	-	18,954	-	55,587	371,276	445,817

Balance at 31 December 2011 325,242 269,424 166,175 1,600,000 440,814 1,543,368 4,345,023

Balance at 01 July 2012 325,242 269,424 161,197 1,600,000 534,269 1,842,756 4,732,888

Changes in equity for the period ended 31 December 2012

Total comprehensive income for the period

Profit for the period	-	-	6,693	-	53,526	345,405	405,624
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	6,693	-	53,526	345,405	405,624

Balance at 31 December 2012 325,242 269,424 167,890 1,600,000 587,795 2,188,161 5,138,512

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the six months period ended 31 December 2012

1. THE GROUP AND ITS OPERATIONS

Pakistan Services Limited ("the Parent Company") was incorporated on 6th December 1958 in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) as a public limited company and is quoted on Karachi Stock Exchange Limited. The Parent Company is principally engaged in hotel business and owns and operates the chain of Pearl Continental Hotels in Pakistan and Azad Jammu and Kashmir. The Parent Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad.

- 1.1 This condensed interim consolidated financial information includes the condensed interim financial information of the Parent Company and the following Subsidiary Companies together constituting "the group":

Subsidiary Companies	Nature of business	Holding
Pearl Tours and Travels (Private) Limited	Rent-a-car, tour packages and travel related work	100%
Pearl Continental Hotels (Private) Limited	Non-operational	100%
Bhurban Resorts (Private) Limited	Non-operational	100%
Musafa International (Private) Limited	Project management	100%

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the group for the six months period ended 31 December 2012 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim consolidated financial information do not include that reported for full audited annual consolidated financial statements and should therefore be read in conjunction with the audited annual consolidated financial statements for the year ended 30 June 2012. Comparative consolidated balance sheet is extracted from audited annual consolidated financial statements as of 30 June 2012, whereas comparative consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial information for the six months period ended 31 December 2011.

This condensed interim consolidated financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange Limited.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim consolidated financial information and financial risk management policy are the same as those applied in preparation of audited annual consolidated financial statements for the year ended 30 June 2012. The following approved standards, amendments and interpretations of approved accounting standards become effective during the period are not expected to have significant impact on the Company's condensed interim consolidated financial information:

Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income	(effective 01 July 2012)
Amendments to IAS 12 - deferred tax on investment property	(effective 01 July 2012)

	Unaudited 31 December 2012	Audited 30 June 2012
	(Rupees'000)	
4. LONG TERM FINANCING - secured		
From banking companies:		
The Bank of Punjab	416,667	500,000
Askari Bank Limited	283,333	300,000
	700,000	800,000
Current portion	(233,333)	(216,667)
	466,667	583,333

The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the annual audited consolidated financial statements of the Parent Company for the year ended 30 June 2012.

	Unaudited 31 December 2012	Audited 30 June 2012
	(Rupees'000)	
5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Present value of minimum lease payments		
Balance at beginning of the period/ year	38,952	23,760
Additions during the period/ year	69,315	32,749
Repayments made during the period/ year	(15,735)	(17,557)
	92,532	38,952
Current portion	(24,209)	(12,928)
	68,323	26,024

During the period the Parent Company availed a fresh lease finance facility of Rs.69.315 million from M/s First Habib Modaraba (30 June 2012: Nil) out of total limit of Rs. 75 million. This facility carries markup equal to 3- month KIBOR plus 1.30% per annum (30 June 2012: Nil) and secured by way of ownership of leased vehicles.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

6.	SHORT TERM BORROWINGS - secured	31 December	30 June	Unaudited	Audited
		2012	2012	31 December	30 June
		Facility limit		(Rupees'000)	
		Rupees in million			
Running finance from banking companies					
	National Bank of Pakistan	650	650	8,406	3,623
	Habib Bank Limited	350	350	5,970	538
	Soneri Bank Limited	100	100	131	59,775
	The Bank of Punjab	250	50	155,542	-
		<u>1,350</u>	<u>1,150</u>	<u>170,049</u>	<u>63,936</u>

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the annual audited consolidated financial statements of the Parent Company for the year ended 30 June 2012 except the following:

- Facility limit extended by The Bank of Punjab enhanced from Rs. 50 million to Rs. 250 million with reduction in its pricing from 3- month KIBOR plus 2.5% per annum to 3- month KIBOR plus 1.5% per annum. The security against this facility provided earlier has been enhanced to cover the additional borrowing.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Contingencies are the same as disclosed in the annual audited consolidated financial statements of the group for the year ended 30 June 2012, except for the guarantees and commitments as disclosed below:

7.1.1	Guarantees	Unaudited	Audited
		31 December	30 June
		2012	2012
		(Rupees'000)	
		<u>109,128</u>	<u>109,113</u>
7.2	Commitments		
	Commitments for capital expenditure	<u>65,762</u>	<u>277,957</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31 December 2012			Audited 30 June 2012		
	Owned assets	Leased assets	Total	Owned assets	Leased assets	Total
(Rupees'000)						
Carrying value at beginning of the period/ year	22,956,274	60,083	23,016,357	22,318,776	34,231	22,353,007
Additions during the period/ year	137,290	58,909	196,199	972,101	31,550	1,003,651
Disposals/ transfer during the period/ year	(5,667)	(24,618)	(30,285)	(13,830)	-	(13,830)
Transfer to non current assets held for sale	-	-	-	(55,955)	-	(55,955)
Impairment loss on revalued assets	-	-	-	(19,045)	-	(19,045)
Depreciation charge for the period/ year	(157,886)	(5,802)	(163,688)	(245,773)	(5,698)	(251,471)
Carrying value at end of the period/ year	<u>22,930,011</u>	<u>88,572</u>	<u>23,018,583</u>	<u>22,956,274</u>	<u>60,083</u>	<u>23,016,357</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2012

9.	SALES AND SERVICES - net	Three months ended 31 December		Six months ended 31 December	
		2012	2011	2012	2011
		(Rupees'000)			
	Rooms	880,541	648,096	1,610,404	1,205,088
	Food and beverages	1,029,800	822,690	1,928,638	1,559,688
	Other related services	106,646	83,439	196,709	177,295
	Vehicles rental	25,065	18,589	42,698	36,067
	Parking fee	1,030	-	1,598	-
	Shop license fees	2,843	1,820	4,562	3,513
		<u>2,045,925</u>	<u>1,574,634</u>	<u>3,784,609</u>	<u>2,981,651</u>
	Discounts and commissions	(22,114)	(6,572)	(28,278)	(11,806)
	Sales tax	(289,809)	(223,080)	(532,069)	(414,523)
		<u>1,734,002</u>	<u>1,344,982</u>	<u>3,224,262</u>	<u>2,555,322</u>
10.	COST OF SALES AND SERVICES				
	Food and beverages				
	Opening balance	81,408	61,247	65,589	53,833
	Purchases during the period	<u>302,188</u>	<u>243,668</u>	<u>594,901</u>	<u>481,645</u>
		383,596	304,915	660,490	535,478
	Closing balance	(76,950)	(62,813)	(76,950)	(62,813)
	Consumption during the period	<u>306,646</u>	<u>242,102</u>	<u>583,540</u>	<u>472,665</u>
	Direct expenses				
	Salaries, wages and benefits	223,530	196,192	441,973	386,177
	Heat, light and power	142,895	122,978	369,456	277,814
	Repairs and maintenance	89,189	54,264	149,739	102,322
	Depreciation	74,562	55,789	149,593	102,019
	Guest supplies	40,398	32,488	79,798	64,301
	Linen, china and glassware	26,377	24,630	51,732	47,012
	Communication and other related services	14,092	14,953	28,048	29,291
	Banquet and decoration	16,133	8,718	26,265	18,628
	Transportation	3,569	2,063	8,967	7,471
	Uniforms	5,312	4,940	10,788	9,626
	Music and entertainment	1,533	1,680	3,339	3,269
	Insurance	976	906	1,959	1,831
	Vehicle operating expense	12,037	8,157	22,718	17,710
	Vehicle rental and clearance charges	464	520	751	961
	Hotel bookings	325	621	398	3,048
	Others	1,315	1,979	5,879	4,473
		<u>959,353</u>	<u>772,980</u>	<u>1,934,943</u>	<u>1,548,618</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the six months period ended 31 December 2012

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors and their close family members, companies with common directorship, executives, key management personnel, major shareholders and staff retirement fund of the group. Transactions with related parties are as follows:

	Six months ended 31 December	
	2012	2011
	(Rupees'000)	
Transactions with associated undertakings		
Sales	883	1,441
Services provided	8,993	16,665
Services availed	42,717	44,221
Purchases	74,696	85,541
Purchase of air tickets	15,182	11,428
Purchase of property, plant and equipment	10,215	2,421
Advance for purchase of land	53,788	-
Contribution to the defined contribution plan	11,460	10,037
Donation	10,000	36,500
Markup on short term advance	38,766	43,353
Transactions with key management personnel		
Remuneration and allowances	22,369	31,236

12. DATE OF AUTHORISATION FOR ISSUE

This unaudited condensed interim consolidated financial information was authorised for issue by the Board of Directors of the Parent Company in its meeting held on 21 February 2013.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.


M. A. Bawany
Director


Muhammad Rafique
Director



