



PAKISTAN SERVICES LTD.



Pearl-Continental  
HOTELS & RESORTS

# CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD  
ENDED 30 SEPTEMBER 2018







Pearl-Continental

HOTELS & RESORTS

# CONDENSED INTERIM FINANCIAL INFORMATION

[UNAUDITED]

For the three months period ended 30 September 2018



PAKISTAN SERVICES LTD

## 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 Excellence 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 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 Information

Pearl Continental Hotels, a chain owned, operated and franchised by Pakistan Services Limited, sets the international standards for quality hotel accommodation across Pakistan and AJ&K and manages 6 luxury hotels in Karachi, Lahore, Rawalpindi, Peshawar, Bhurban and Muzaffarabad; comprising 1,526 rooms. It also owns and manages another small hotel with 32 rooms in Lahore city.

## BOARD OF DIRECTORS

Mr. Sadruddin Hashwani	Chairman
Mr. Murtaza Hashwani	CEO
Mr. M. A. Bawany	
Mr. Mansoor Akbar Ali	
Syed Sajid Ali	
Mr. Shakir Abu Bakar	
Syed Haseeb Amjad Gardezi	
Syed Asad Ali Shah	
Mr. M. Ahmed Ghazali Marghoob	

## AUDIT COMMITTEE

Mr. M. Ahmed Ghazali Marghoob	Chairman
Mr. Mansoor Akbar Ali	
Syed Sajid Ali	
Mr. Shakir Abu Bakar	

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M.A. Bawany	Chairman
Syed Sajid Ali	
Mr. Shakir Abu Bakar	

## CHIEF FINANCIAL OFFICER

Mr. Abdul Qadeer Khan

## 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  
JS Bank Limited  
NIB Bank Limited  
Silk Bank Limited  
Faysal Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Industrial and Commercial Bank of China  
Dubai Islamic 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.hashoogroup.com>

## SHARE REGISTRAR

M/s THK Associates (Private) Limited  
1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi.

# Directors' Report

## Dear Members

The Board of Directors of Pakistan Services Limited [PSL] presents the condensed interim financial information on the performance of the Company for the three-month period ended 30 September 2018.

## Economic Overview

Growth in the world economy is surpassing expectations and global GDP is now expected to expand by more than 3% during this year and in 2019, reflecting strong growth in developed countries and broadly favourable investment conditions. However, rising trade tensions, heightened uncertainty over monetary policy, increasing debt levels and greater geopolitical tensions can potentially ruin the expected progress. Among emerging markets and developing economies, growth prospects are also becoming more uneven, amid rising oil prices, higher yields in the United States, escalating trade tensions and market pressures on the currencies of some economies with weaker fundamentals.

As far as Pakistan's economy is concerned, the instable economic situation prevailing during the period under review and the problems faced earlier are still intact while on the other hand devaluation of the Pakistani currency has increased inflation domestically. The outcome of the devaluation of Rupee against US dollar in the domestic market incidentally coincided with a rise in the crude oil prices in the global market resulting in relatively larger upward trend in oil prices for Pakistan. This will obviously result in increase in the manufacturing and transportation costs resulting in price hike of all the commodities. Furthermore, balance of payments issue may pose very serious risks to economy during the next fiscal year, mostly because of ballooning deficits and erosion in foreign exchange reserves. The business community strongly feel that the next year will be full of challenges.

The new Government is putting in its all-out efforts for economic stability and resources to recoup the economic strength. The grim economic environment coupled with national and provincial election activities during first quarter of the financial year under review has unfortunately badly affected the business performance of your Company against the results of the corresponding quarter of the last year. It is hoped overall economic situation will get stable and your company will be in a position to improve its results during the rest of the period.

## Overall performance of the Company

During the first three months period ended 30 September 2018, the Company achieved revenue [net] of Rs. 2,282 million, as compared to Rs. 2,500 million recorded in the comparative period of the last year due to the reasons as mentioned above.

The Gross profit is Rs. 808 million against Rs. 1,179 million of last year same period, while loss before tax arrives at Rs. 239 million. This loss is partially due to unsatisfactory performance of marketable securities which resulted in unrealized loss of Rs. 175 million beside higher cost of sales and financial charges.

#### Highlights of Performance:

	For the three months period ended 30 September	
	2018	2017
	(Rupees million)	
Sales and Services – net	2,282	2,500
Gross profit	808	1,179
Loss / Profit before taxation	(239)	186
Loss / Profit after taxation	(358)	93
Earnings/[loss] per share (Rupees)	(11.00)	2.85

#### Performance of Rooms Department

During the period Room revenue was recorded at Rs. 1,103 million against Rs. 1,259 million of the corresponding period of last year.

#### Performance of Food & Beverage (F&B) Department

Net revenue from this segment has been recorded at Rs. 1,075 million as compared to Rs. 1,122 million of same period last year.

#### Performance of Other Related Services/License Fee/ Travel and Tour Division

From this segment of business Revenue [net] of Rs. 104 million has been achieved as compared to Rs. 119 million of corresponding period.

#### Prospects

The present government accorded top priority to the promotion of tourism and culture and is making efforts to further enhance cooperation with China in all vital sectors. Pakistan particularly has a lot of potential regarding tourism because of its diverse and well-preserved culture and beautiful valleys of the northern areas. Development of tourism industry in Pakistan can bring a great change to the economic status of the country, which is possible through development of infrastructure and tourism resorts, regarding which the new government has shown strong interest.

The Company is also playing its role in further developing the tourism industry by keenly improving its existing facilities to provide more satisfactory services to its customer and for this purpose the Company is deploying modern technologies and equipment to its existing properties beside constructing new hotels, which will be operational in 2019/20.

### Consolidated Results

During the current period the group recorded a revenue [net] of Rs. 2,318 million as compared to Rs. 2,526 million of the same period last year. Loss after taxation is recorded at Rs. 332 million in comparison with Profit of Rs. 88 million of the corresponding period of last year.

### Acknowledgment

On behalf of the Board, we thank the Company's staff for their dedicated professional services. We also extend our thanks to our consultants, bankers, advisers, and the shareholders for the advice, understanding and support that are critical for the success of our programs, projects, and normal business operations. And finally, our valued guests, who encourage and expect from the company and its staff to provide the best level of products and services to win their continued support and patronage.

For and on behalf of the Board of Directors



M.A. Bawany  
Director



Shakir Abu Bakar  
Director

Islamabad: 25 October 2018



## ڈائریکٹرز رپورٹ

### محترم حصص داران:

پاکستان سروسز لمیٹڈ (پی ایس ایل) کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ ۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی سہ ماہی مدت میں کمپنی کی کارکردگی اور مالیاتی معلومات کا عبوری خلاصہ پیش کر رہے ہیں۔

### اقتصادی جائزہ:

عالمی معیشت میں ترقی کی توقعات نمایاں ہیں اور اس سال ۲۰۱۹ء میں جی ڈی پی 3% سے زیادہ ہونے کے توقعات ہیں۔ ترقی پذیر ممالک میں مضبوط ترقی اور بڑے پیمانے پر سازگار سرمایہ کاری کے حالات متوقع ہیں۔ تاہم، بڑھتی ہوئی تجارتی کشیدگی، مالیاتی پالیسی کی وجہ سے غیر یقینی صورتحال، قرض کی سطح میں اضافہ اور زیادہ چھوٹے پیمانے پر متوقع ترقی کو متاثر کر سکتا ہے۔ ابھرتی ہوئی مارکیٹوں اور ترقی پذیر معیشتوں کے درمیان، ترقی کے امکانات بھی غیر معمولی طور پر کم ہو رہے ہیں، بڑھتی ہوئی تیل کی قیمتوں میں اضافہ، امریکہ میں زیادہ پیداوار، کاروباری کشیدگی بڑھانے اور مارکیٹ کے دباؤ میں کمزور بنیادوں کی وجہ سے کچھ معیشتوں پر غیر معمولی طور پر کمی ہو سکتی ہے۔

جہاں تک پاکستان کی معیشت کا تعلق ہے، اس مدت کے دوران ہونے والی کمزور اقتصادی صورتحال اب بھی برقرار رہی ہے جبکہ پاکستانی کرنسی کے قدر غیر مستحکم ہو گئی ہے۔ عالمی مارکیٹ میں امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کا سامنا ہے جس کے نتیجے میں عالمی مارکیٹ میں خام تیل کی قیمتوں میں اضافے کے نتیجے میں پاکستان کے لئے تیل کی قیمتوں میں نسبتاً بڑا اضافہ ہوا ہے۔ جس کی وجہ سے مینوفیکچررز، ٹرانسپورٹ، حتیٰ کہ تمام اشیاء کی قیمتوں میں اضافہ ہوا ہے۔ اس کے علاوہ اگلے مالی سال کے دوران قرضوں کی ادائیگی کی وجہ سے معیشت پر سنگین خطرہ مترب ہو سکتے ہیں اور غیر ملکی کرنسی کے ذخائر میں کمی کی وجہ سے کاروباری برادری کو اگلا سال چیلنجز سے بھرا ہوا محسوس ہوتا ہے۔

نئی حکومت اقتصادی استحکام اور وسائل کی بہتری کیلئے بھرپور کوشش کر رہی ہے۔ مالیاتی سال کی پہلی سہ ماہی کے دوران قومی اور صوبائی انتخابی سرگرمیوں کی وجہ سے اقتصادی ماحول پر اثر پڑا ہے، جو کہ بدقسمتی سے پچھلے سال کے اسی سہ ماہی کے نتائج کے مقابلے میں آپ کی کمپنی کی کاروباری کارکردگی پر بھی اثر پڑا ہے۔ امید ہے کہ مجموعی اقتصادی صورتحال مستحکم ہوگی اور آپ کی کمپنی باقی مدت کے دوران اپنے نتائج کو بہتر بنانے کے لئے بھرپور کوشش کرے گی۔

## کمپنی کی مجموعی کارکردگی:

۳۰ ستمبر ۲۰۱۸ء تک ختم ہونے والی پہلی سہ ماہی مدت کے دوران کمپنی ۲،۲۸۲ ملین روپے کی خالص آمدنی حاصل کی ہے جو گزشتہ سال کے اسی عرصے کے دوران ریکارڈ ہونے والے ۲،۵۰۰ ملین روپے تھی۔ کمپنی کا مجموعی منافع ۸۰۸ ملین روپے ہے جو گزشتہ سال کے اسی عرصے کے مقابلے میں ۱،۱۷۹ ملین روپے تھی۔ جبکہ قبل از ٹیکس خسارہ ۲۳۹ ملین روپے پر آگئی ہے۔ یہ خسارہ بازار حصص کے مندرجہ تسمکات میں سرمایہ کاری سے نقصان اور کمپنی کے مالیاتی اخراجات میں اضافے کی وجہ سے ہوا ہے۔

## کارکردگی کی جھلکیاں:

	سہ ماہی مدت اختتام ۳۰ ستمبر ۲۰۱۸ء	
	۲۰۱۸	۲۰۱۷
	(ملین روپے)	
فروخت اور خدمات (خالص)	۲،۲۸۲	۲،۵۰۰
کل منافع	۸۰۸	۱،۱۷۹
خسارہ/منافع قبل از ٹیکس	(۲۳۹)	۱۸۶
خسارہ/منافع بعد از ٹیکس	(۳۵۸)	۹۳
فی حصہ آمدنی (روپے میں)	(۱۱.۰۰)	۲.۵۸

## رومز ڈیپارٹمنٹ کی کارکردگی:

اس عرصہ کے دوران گزشتہ سال کے اسی عرصہ کے ۲۵۹ ملین روپے کی نسبت آمدنی (خالص) ۱۰۳ ملین روپے ریکارڈ کی گئی۔

## فوڈ اینڈ بیورٹج (F&B) ڈیپارٹمنٹ کی کارکردگی:

اس شعبے کی خالص آمدن ۷۰۷ ملین روپے ریکارڈ کی گئی جو گزشتہ اسی عرصے کے مقابلے میں ۱۲۲ ملین روپے تھی۔

## دیگر متعلقہ خدمات لائسنس فیس/ٹریول و ٹورڈ ویشن کی کارکردگی:

اس شعبے میں زیر جائزہ عرصے کے دوران ۰۲ ملین روپے ریکارڈ کیا گیا۔ جو گزشتہ اسی عرصے کے مقابلے میں ۱۱۹ ملین روپے تھی۔

## مستقبل کے امکانات:

موجودہ حکومت، سیاحت اور ثقافت کے فروغ کیلئے کوشاں ہے اور چین کے ساتھ تمام اہم شعبوں میں تعاون کو مزید بہتر بنانے کیلئے کوشش کر رہی ہے۔ شمالی علاقوں کی محفوظ ثقافت اور خوبصورت وادیوں کی وجہ سے پاکستان میں خاص طور پر سیاحت کے میدان میں بہت زیادہ صلاحیت موجود ہے اور پاکستان میں سیاحت کی صنعت ملکی معاشی ترقی کیلئے بہت اہم کارآمد اور کھلتا ہے جو کہ بنیادی ڈھانچہ اور سیاحتی ریزورٹس بنانے سے ممکن ہو سکتا ہے جس کے بارے میں موجودہ حکومت نے بہت دلچسپی ظاہر کی ہے۔

کھیتی سیاحت کی صنعت کو مزید فروغ دینے میں اپنی کردار ادا کرتی ہے اور اس کی موجودہ سہولیات کو بہتر بنانے کے ذریعے اپنی گاہکوں کو زیادہ تسلی بخش خدمات فراہم کرتی ہے اور اس مقصد کے لئے کھیتی اپنے ہوٹلوں میں جدید ٹیکنالوجی اور ساز و سامان کو فروغ دے رہی ہے اور ساتھ ہی نئے تعمیر ہونے والے ہوٹلوں میں جدیدیت لارہی ہے جو کہ ۲۰-۲۰۱۹ میں آپریشنل ہو گئے۔

## مجموعی نتائج:

زیر جائزہ عرصے کے دوران گروپ نے ۲،۳۱۸ ملین روپے کے محصولات (خالص) ریکارڈ کئے جو گزشتہ سال اسی عرصے میں ۲،۵۲۶ ملین روپے تھے۔ گزشتہ برس اسی عرصے کے دوران ۸۸ ملین روپے منافع کی نسبت ۳۳۲ ملین روپے کا بعد از ٹیکس خسارہ ریکارڈ کیا گیا۔

## اظہار تشکر:

ہم بورڈ کی جانب سے خصوصی پیشہ ورانہ خدمات کے لیے کھیتی کے عملے کا شکریہ ادا کرتے ہیں اور ہم اپنے معزز مہمانوں کے بھی شکر گزار ہیں، جو ہمیشہ ہماری اور اسٹاف کی حوصلہ افزائی کرتے ہیں تاکہ بہترین پروڈکٹس اور خدمات کی فراہمی میں ان کا مسلسل تعاون اور سرپرستی حاصل رہے۔ ہم ان تمام مشوروں، تعاون اور باہمی ادراک کے لیے اپنے کسٹمرز، بینکاروں، شیراں اور سٹراکٹ داروں کے ممنون ہیں، جو ہمارے پروگراموں، پروڈکٹس اور عمومی کاروباری امور میں کامیابی کے لیے انتہائی اہم ہیں۔

## منجانب بورڈ آف ڈائریکٹرز



شاکر ابوبکر  
ڈائریکٹر



ایم۔ اے ابوانی  
ڈائریکٹر

اسلام آباد: ۲۵ اکتوبر ۲۰۱۸ء





**CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION**

**(Unaudited)**

For the three months period ended 30 September 2018

# Condensed Interim Unconsolidated Statement of Financial Position

As at 30 September 2018

		Unaudited 30 September 2018	Audited 30 June 2018
	Note	[Rupees'000]	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Capital reserve		269,424	269,424
Revenue reserves		7,357,340	7,714,976
Revaluation surplus on property, plant and equipment		27,530,740	27,530,740
<b>Total equity</b>		<b>35,482,746</b>	<b>35,840,382</b>
<b>LIABILITIES</b>			
Loans and borrowings	5	10,479,326	9,656,299
Employee benefits		685,129	666,088
Deferred tax liability - net		329,134	272,545
<b>Non current liabilities</b>		<b>11,493,589</b>	<b>10,594,932</b>
Short term borrowings	6	660,387	553,868
Current portion of loans and borrowings	5	1,620,035	1,347,134
Trade and other payables	7	1,949,795	1,950,875
Markup accrued		265,911	223,910
Unpaid dividend		1,529	19,210
Unclaimed dividend		9,242	9,242
<b>Current liabilities</b>		<b>4,506,899</b>	<b>4,104,239</b>
<b>Total equity and liabilities</b>		<b>51,483,234</b>	<b>50,539,553</b>

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.

		Unaudited 30 September 2018	Audited 30 June 2018
	Note	[Rupees'000]	
<b>ASSETS</b>			
Property, plant and equipment	9	40,510,028	39,925,287
Advance for capital expenditure	10	1,624,565	1,532,203
Investment property		60,000	60,000
Long term investments		1,037,794	1,037,794
Advance against equity investment	11	2,861,571	2,014,570
Long term deposits and prepayments		45,760	37,970
<b>Non current assets</b>		<b>46,139,718</b>	<b>44,607,824</b>
Inventories		290,256	279,917
Trade debts		791,625	704,692
Advances, prepayments, trade deposits and other receivables		504,926	299,613
Short term investments	12	2,947,683	3,123,231
Short term advance		40,000	40,000
Advance tax - net		300,053	216,899
Cash and bank balances		468,973	1,267,377
<b>Current assets</b>		<b>5,343,516</b>	<b>5,931,729</b>
<b>Total assets</b>		<b>51,483,234</b>	<b>50,539,553</b>

  
M.A. Bawany  
Director

  
Shaker Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Profit or Loss [Unaudited]

For the three months period ended 30 September 2018

	Note	Three months ended 30 September	
		2018	2017
[Rupees'000]			
Revenue - net	13	2,281,830	2,499,553
Cost of sales and services	14	[1,473,845]	[1,320,931]
<b>Gross profit</b>		<b>807,985</b>	<b>1,178,622</b>
Other income		34,579	27,281
Administrative expenses		[733,237]	[683,925]
<b>Operating profit</b>		<b>109,327</b>	<b>521,978</b>
Finance income		52,348	6,013
Unrealised loss on remeasurement of investments to fair value - net		[175,549]	[187,066]
Finance cost		[224,642]	[155,275]
<b>Net finance cost</b>		<b>[347,843]</b>	<b>[336,328]</b>
<b>[Loss] / profit before taxation</b>		<b>[238,516]</b>	<b>185,650</b>
Income tax expense		[119,120]	[92,957]
<b>[Loss] / profit for the period</b>		<b>[357,636]</b>	<b>92,693</b>
<b>[Loss] / Earnings per share - basic and diluted [Rupees]</b>	15	<b>[11.00]</b>	<b>2.85</b>

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer



# Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the three months period ended 30 September 2018

	Three months ended 30 September	
	2018	2017
	[Rupees'000]	
[Loss] / profit for the period	(357,636)	92,693
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>(357,636)</u>	<u>92,693</u>

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Cash Flow (Unaudited)

For the three months period ended 30 September 2018

	Note	Three months ended 30 September	
		2018	2017
		[Rupees'000]	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flow from operating activities before working capital changes	16	342,475	684,252
<b>Working capital changes</b>			
<b>[(Increase) / decrease in current assets]</b>			
Inventories		[10,339]	4,927
Trade debts		[86,912]	[121,932]
Advances		[48,512]	[74,475]
Trade deposits and prepayments		[88,265]	[42,647]
Other receivables		[37,076]	5,883
Increase in trade and other payables		[1,080]	158,315
<b>Cash used in operations</b>		<b>[272,184]</b>	<b>[69,929]</b>
Staff retirement benefit - gratuity paid		[3,334]	[18,229]
Compensated leave absences paid		[4,477]	[9,358]
Income tax paid		[145,685]	[124,422]
Finance cost paid		[177,727]	[176,022]
<b>Net cash from operating activities</b>		<b>[260,932]</b>	<b>286,292</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		[795,349]	[436,460]
Advance for capital expenditure		[92,362]	[112,934]
Refund of advance against purchase of land		-	630,000
Proceeds from disposal of property, plant and equipment		6,128	23,080
Advance against equity investment		[847,001]	[194,000]
Dividend income received		380	355
Receipts of return on bank deposits and short term advance		18,670	5,439
Long term deposits and prepayments		[7,790]	[13,132]
<b>Net cash used in investing activities</b>		<b>[1,717,324]</b>	<b>[97,652]</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		[267,500]	[225,000]
Proceeds from Sukuk issuance		1,361,547	-
Repayment of diminishing musharka facility		[3,033]	-
Dividend paid		[17,681]	[6,680]
<b>Net cash from financing activities</b>		<b>1,073,333</b>	<b>[231,680]</b>
Net increase /[(decrease) in cash and cash equivalents		[904,923]	[43,040]
Cash and cash equivalents at beginning of the period		713,509	[69,285]
Cash and cash equivalents at end of the period	17	[191,414]	[112,325]

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Abdul Qadeer Khan  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2018

	Capital reserve		Revenue reserves		Total equity	
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	General reserve		Unappropriated profit
[Rupees'000]						
Balance at 01 July 2017	325,242	269,424	23,779,515	1,600,000	6,141,860	32,116,041
Total comprehensive income for the period						
Profit for the period	-	-	-	-	92,693	92,693
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	92,693	92,693
Transaction with owners of the Company						
Distribution:						
Final cash dividend 30 June 2017 declared subsequent to the period ended @ Rs. 5 per share	-	-	-	-	(162,621)	(162,621)
Total distribution	-	-	-	-	(162,621)	(162,621)
Balance at 30 September 2017	325,242	269,424	23,779,515	1,600,000	6,071,932	32,046,113
Balance at 01 July 2018	325,242	269,424	27,530,740	1,600,000	6,114,976	35,840,382
Total comprehensive income for the period						
Loss / Profit for the period	-	-	-	-	(357,636)	(357,636)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(357,636)	(357,636)
Balance at 30 September 2018	325,242	269,424	27,530,740	1,600,000	5,757,340	35,482,746

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

### 1 STATUS AND NATURE OF BUSINESS

Pakistan Services Limited [“the Company”] was incorporated on 06 December 1958 in Pakistan under the Companies Act, 1913 [now Companies Act, 2017] as a public limited company and is quoted on Pakistan Stock Exchange Limited. The Company’s registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Karachi, Lahore, Rawalpindi, Bhurban, Peshawar and Muzaffarabad Azad Jammu & Kashmir. The Company also owns one small sized property in Lahore operating under the budget hotel concept. The Company also grants franchise to use its trade mark and name “Pearl Continental”.

Further the company is in process of constructing hotels in Multan and Mirpur, Azad Jammu & Kashmir.

### 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. The disclosures in this condensed interim unconsolidated financial information do not include the information that was reported for annual audited unconsolidated financial statements and should therefore be read in conjunction with the annual audited unconsolidated financial statements for the year ended 30 June 2018. Comparative unconsolidated statement of financial position numbers are extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2018, whereas comparative unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of cash flow and unconsolidated statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information for the three months period ended 30 September 2017.

This condensed interim unconsolidated financial information is unaudited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan 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 and 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 annual audited unconsolidated financial statements for the year ended 30 June 2018 except for:

Method of depreciation used for Aircraft, the depreciation is calculated on the basis of useful life of each component of Aircraft.

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2019 and are not expected to have any significant effect on the Company’s financial statements:

Amendments to IAS 28 ‘Investments in Associates and Joint Ventures’

Amendments to IAS 19 ‘Employee Benefits’

IFRIC 23 ‘Uncertainty over Income Tax Treatments’

IFRS 16 ‘Leases’

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

Annual improvements to IFRS standards 2015-2017 cycle:

- IFRS 3 'Business Combinations'
- IFRS 11 'Joint Arrangement'
- IAS 12 'Income Taxes'
- IAS 23 'Borrowing Cost'

#### 4 SHARE CAPITAL

There is no change in authorised and issued, subscribed and paid up share capital of the Company from 30 June 2018.

		Unaudited 30 September 2018	Audited 30 June 2018
<b>5 LOANS AND BORROWINGS - Secured</b>	Note	<b>(Rupees'000)</b>	
<b>a. Non current portion</b>			
Term Finance Loan - 1		765,000	807,500
Syndicated term loan		675,000	900,000
Term Finance Loan - 2		2,150,000	2,150,000
Term Finance Loan - 3		3,000,000	3,000,000
Term Finance Loan - 4		1,850,000	1,850,000
Sukuk	5.2	3,694,880	2,333,333
Transaction cost		(66,343)	(71,257)
		<u>12,068,537</u>	<u>10,969,576</u>
Current portion of loans		<u>(1,609,167)</u>	<u>(1,335,000)</u>
		<u>10,459,370</u>	<u>9,634,576</u>
Lease finance facilities			
Diminishing Musharaka Facility		30,824	33,857
Current portion		<u>(10,868)</u>	<u>(12,134)</u>
		<u>19,956</u>	<u>21,723</u>
		<u>10,479,326</u>	<u>9,656,299</u>
<b>b. Current portion</b>			
Current portion of loans		1,609,167	1,335,000
Current portion of Diminishing Musharaka Facility		10,868	12,134
		<u>1,620,035</u>	<u>1,347,134</u>

5.1 Except for the facility arrangement disclosed in note 5.2, the markup rates, facility limits and securities offered for 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 2018.

5.2 During the period the Company issued 2nd tranche of Sukuk amounting to Rs. 1,361.546 million with same term and conditions as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2018.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

Diminishing musharaka facility is payable as follows:

	Unaudited 30 September 2018		
	Present value of minimum lease payment	Interest cost for future periods	Future minimum lease payments
	[Rupees'000]		
Not later than one year	10,868	1,261	12,129
Later than one year and not later than five years	19,956	867	20,823
	<u>30,824</u>	<u>2,128</u>	<u>32,952</u>
	Audited 30 June 2018		
	Present value of minimum lease payment	Interest cost for future periods	Future minimum lease payments
	[Rupees'000]		
Not later than one year	12,134	1,467	13,601
Later than one year and not later than five years	21,723	1,115	22,838
	<u>33,857</u>	<u>2,582</u>	<u>36,439</u>

### 6 SHORT TERM BORROWINGS - Secured

- 6.1 The facility limits, securities offered and markup rates 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 2018.

	Unaudited 30 September 2018	Audited 30 June 2018
	[Rupees'000]	
<b>7 TRADE AND OTHER PAYABLES</b>		
Creditors	478,461	549,082
Accrued liabilities	596,303	563,862
Advances from customers	279,642	288,577
Shop deposits	55,830	57,280
Retention money	184,578	172,357
Due to related parties - unsecured	9,088	14,881
Sales tax payable	131,075	105,321
Income tax deducted at source	6,672	1,493
Un-earned income	148,867	139,376
Other liabilities	59,279	58,645
	<u>1,949,795</u>	<u>1,950,875</u>

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

### 8 CONTINGENCIES AND COMMITMENTS

#### 8.1 Contingencies

Contingencies are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2018.

		Unaudited 30 September 2018	Audited 30 June 2018
		[Rupees'000]	
8.1.1	Guarantees	277,814	277,814
8.2	Commitments		
	Commitments for capital expenditure	1,227,576	1,601,622

		Unaudited 30 September 2018	Audited 30 June 2018
		[Rupees'000]	
9	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	37,302,296	36,586,141
	Capital work in progress	3,207,732	3,339,146
		40,510,028	39,925,287

#### 9.1 OPERATING FIXED ASSETS

	Carrying value at beginning of the period	36,586,141	30,841,298
	Additions during the period	272,884	1,056,033
	Transfer from capital work in progress	653,879	1,705,525
	Revaluation surplus	-	3,751,225
	Disposal during the period	(3,269)	(120,961)
	Depreciation charge for the period	(207,339)	(646,979)
	Carrying value at end of the period	37,302,296	36,586,141

#### 9.2 CAPITAL WORK IN PROGRESS

	Construction of Pearl Continental Multan	1,108,320	1,032,064
	Construction of Pearl Continental Mirpur	1,402,981	1,311,671
	Aircraft	-	612,912
	Other civil works	696,431	382,499
		3,207,732	3,339,146

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

10	ADVANCE FOR CAPITAL EXPENDITURE	Note	Unaudited	Audited
			30 September 2018	30 June 2018
			[Rupees'000]	
	Advance for purchase of land		697,470	667,820
	Advance for purchase of Malir Delta Land	10.1	381,656	381,656
			<b>1,079,126</b>	1,049,476
	Advance for purchase of apartment		40,509	40,509
	Impairment loss		(40,509)	(40,509)
			-	-
	Advance for purchase of fixed assets		318,348	358,660
	Advances for Pearl Continental Multan Project		109,964	72,420
	Advances for Pearl Continental Mirpur Project		117,127	51,647
			545,439	482,727
			<b>1,624,565</b>	<b>1,532,203</b>

- 10.1 This represents amount paid for purchase of 1/3rd share [113.34 acres of land] from Ms. Seema Tressa Gill's situated in Deh Dih in the Delta of Malir River. The Company relying upon the representation of good title by Ms. Seema Tressa Gill entered into a Agreement to Sale with her 1/3rd share [113.34 acres land] against a total sale consideration of Rs 80 million which was followed by registered documents inter-alia includes a Deed of Conveyance. The relevant documents provide for indemnification by the Seller's against all losses, detriments occasioned to or sustained/suffered by the Purchaser due to any defect in the title of the Seller. The Company also paid regularization fee amounting to Rs. 301.65 million to the Land Utilization Department Government of Sindh on her behalf through Challan.

Legal proceedings of the above said piece of land were instituted in the Courts of Law, the Company being aggrieved and dissatisfied with a impugned judgment of High Court against dismissal of its Constitution Petition has filed a Civil Petition for Leave to Appeal (CPLA) before Hon'ble Supreme Court of Pakistan and presently the matter is pending adjudication before the Apex Court and Company is diligently pursuing the same. The Company is hopeful of a favorable result. However, even if there is an adverse decision as per legal opinion, the Company would be entitled to recover the amounts from the Seller as well as from the relevant Government Department. In this regard the paid Challan for regularization fee also states that "Subject to the condition that the land in question is available on site and the lease money may be deposited into Government Treasury in the relevant Head of Accounts by the depositor at his own risk. In case if any irregularity/false information/ concealment of facts / stay of court is noticed hereafter, the malkano amount paid to this effect by the depositor shall be reimbursed."



# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

### 11 ADVANCE AGAINST EQUITY INVESTMENT

During the period the Company made advance against equity investment of Rs. 834 million and Rs. 13 million to its wholly owned subsidiary companies City Properties (Private) Limited and Elite Properties (Private) Limited respectively.

		Unaudited 30 September 2018	Audited 30 June 2018
	Note	[Rupees'000]	
12	<b>SHORT TERM INVESTMENTS</b>		
	Shares of listed companies	12.1 938,160	1,113,708
	Term Deposit Receipt	12.2 2,009,523	2,009,523
		<u>2,947,683</u>	<u>3,123,231</u>

12.1 This mainly includes investment in an associated company having carrying value of Rs. 930.776 million (30 June 2018 : Rs. 1,105.980 million).

12.1.1 Out of total shares held by the Company, 8,500,000 (2018: 12,500,000) ordinary shares are placed / lien marked as security against running finance facility of the Company (Refer to note 6).

12.2 This represent term deposit receipts having maturity of 3 months to one year carrying interest rate ranging from 5% to 5.7% (2018: 5% to 5.22%) per annum.

		Three months ended 30 September	
	Note	2018	2017
		[Rupees'000]	
13	<b>REVENUE</b>		
	Rooms	1,272,647	1,461,569
	Food and beverages	1,267,330	1,312,969
	Other related services	13.1 142,846	140,357
	Shop license fees	15,441	12,349
	Revenue - gross	<u>2,698,264</u>	<u>2,927,244</u>
	Discounts and commissions	[46,760]	[34,698]
	Sales tax	[369,674]	[392,993]
	Revenue - net	<u>2,281,830</u>	<u>2,499,553</u>

13.1 This includes revenue from telephone, laundry, discount cards and other ancillary services.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended 30 September 2018

	Note	Three months ended 30 September	
		2018	2017
		[Rupees'000]	
<b>14 COST OF SALES AND SERVICES</b>			
<b>Food and beverages</b>			
Opening balance		86,196	83,160
Purchases during the period		409,423	383,330
Closing balance		(87,083)	(86,762)
Consumption during the period		<u>408,536</u>	<u>379,728</u>
<b>Direct expenses</b>			
Salaries, wages and benefits		419,972	362,889
Heat, light and power		229,539	219,507
Repair and maintenance		86,039	80,337
Depreciation		186,605	125,547
Guest supplies		52,237	57,690
Linen, china and glassware		26,434	27,015
Communication and other related services		20,790	18,595
Banquet and decoration		12,090	19,657
Transportation		12,227	14,625
Uniforms		6,386	5,130
Music and entertainment		3,551	2,828
Others		9,439	7,383
		<u>1,473,845</u>	<u>1,320,931</u>
<b>15 EARNINGS PER SHARE</b>			
		2018	2017
[Loss] / Profit for the period [Rupees '000]		<u>(357,636)</u>	<u>92,693</u>
Weighted average number of ordinary shares (Numbers)		<u>32,524,170</u>	<u>32,524,170</u>
[Loss] / Earnings per share - basic [Rupees]		<u>[11.00]</u>	<u>2.85</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 three months period ended 30 September 2018

	Three months ended 30 September	
	2018	2017
	[Rupees'000]	
<b>16 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>		
[Loss] / Profit before tax	(238,516)	185,650
<b>Adjustments for:</b>		
Depreciation	207,339	139,496
Gain on disposal of property, plant and equipment	(2,859)	(494)
Provision for staff retirement benefit - gratuity	20,543	15,485
Provision for compensated leave absences	6,310	8,100
Reversal for doubtful debts	[21]	[801]
Return on bank deposits / certificate of investment	(50,132)	(5,170)
Finance cost	224,642	155,275
Dividend income	(380)	(355)
Unrealised loss on remeasurement of investments to fair value	175,549	187,066
	342,475	684,252
<b>17 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	468,973	298,739
Short term borrowings	(660,387)	(411,064)
	(191,414)	(112,325)
<b>18 TRANSACTIONS WITH RELATED PARTIES</b>		

The related parties comprise associated and subsidiary companies, directors as well as their close family members, companies with common directorship, executives, key management personnel, major shareholders and provident fund. Detail of transactions and balances with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Note	Three months ended 30 September	
		2018	2017
		[Rupees'000]	
<b>Transactions and balances with subsidiary companies</b>			
Sales		737	791
Services provided		5,649	2,883
Services availed		14,405	17,801
Advance for purchase of vehicle		-	10,999
Advance against equity		847,001	194,000
Long term advance and interest converted into equity		-	419,570

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

	Three months ended 30 September	
	2018	2017
	[Rupees'000]	
<b>Balances as at the period end:</b>		
- Trade debts	7,587	* 5,229
- Long term investments	1,037,794	*1,037,794
- Advance against equity	2,861,571	*2,014,570
- Short term Advance	40,000	*40,000
<b>Transactions and balances with associated undertakings</b>		
Sales	13	77
Services provided	416	707
Services availed	8,801	5,070
Purchases	33,734	21,049
Franchise fee - income	1,097	1,037
Franchise and management fee - expense	2,290	2,399
Refund of advance for purchase of land	-	630,000
Dividend paid	13,473	53
<b>Balances as at the period end:</b>		
- Trade debts	2,208	* 2,349
- Advances	37,352	* 30,398
<b>Transactions and balances with other related parties</b>		
Sales	155	-
Services provided	232	463
Services availed	11,171	11,470
Purchases	1,358	938
Contribution to defined contribution plan - provident fund	13,946	11,143
Project Management fee	75,000	-
<b>Balances as at the period end:</b>		
- Trade debts	798	* 1,013
- Advance for capital expenditure	626,820	*626, 820
<b>Transactions with key management personnel</b>		
Remuneration and allowances including staff retirement benefits	35,100	31,325

\* Represents balances as at 30 June 2018.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

### 19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

#### 19.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount			Fair value				Total
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	
30 September 2018									
<b>Financial assets measured at fair value</b>									
Short term investment	12	938,160	-	-	938,160	938,160	-	-	938,160
<b>Financial assets not measured at fair value</b>									
Long term deposits		-	37,445	-	37,445	-	-	-	-
Trade debts		-	791,625	-	791,625	-	-	-	-
Advance to employees		-	39,145	-	39,145	-	-	-	-
Trade deposits		-	31,201	-	31,201	-	-	-	-
Other receivables		-	136,064	-	136,064	-	-	-	-
Interest accrued		-	43,890	-	43,890	-	-	-	-
Term deposit receipt	12	-	2,009,523	-	2,009,523	-	-	-	-
Short term advance		-	40,000	-	40,000	-	-	-	-
Cash and bank balances		-	468,973	-	468,973	-	-	-	-
		-	3,597,866	-	3,597,866	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	5	-	-	12,134,880	12,134,880	-	-	-	-
Short term borrowings	6	-	-	660,387	660,387	-	-	-	-
Liabilities against diminishing Musharaka facility	5	-	-	30,824	30,824	-	-	-	-
Trade and other payables	7	-	-	1,383,539	1,383,539	-	-	-	-
Markup accrued		-	-	265,911	265,911	-	-	-	-
Unclaimed Dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,529	1,529	-	-	-	-
		-	-	14,486,312	14,486,312	-	-	-	-

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

	Note	Carrying amount	Fair value						
			Rs'000						
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2018									
<b>Financial assets measured at fair value</b>									
Short term investment	12	1,113,708	-	-	1,113,708	1,113,708	-	-	1,113,708
<b>Financial assets not measured at fair value</b>									
Long term deposits	19.2	-	29,655	-	29,655	-	-	-	-
Trade debts		-	704,692	-	704,692	-	-	-	-
Advance to employees		-	18,005	-	18,005	-	-	-	-
Trade deposits		-	24,721	-	24,721	-	-	-	-
Other receivables		-	98,989	-	98,989	-	-	-	-
Interest accrued		-	12,428	-	12,428	-	-	-	-
Term deposit receipt	12	-	2,009,523	-	2,009,523	-	-	-	-
Short term advance		-	40,000	-	40,000	-	-	-	-
Cash and bank balances		-	1,267,377	-	1,267,377	-	-	-	-
		-	<u>4,205,390</u>	-	<u>4,205,390</u>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	5	-	-	11,040,833	11,040,833	-	-	-	-
Short term borrowings	6	-	-	553,868	553,868	-	-	-	-
Liabilities against diminishing Musharaka facility	5	-	-	33,857	33,857	-	-	-	-
Trade and other payables	7	-	-	1,416,108	1,416,108	-	-	-	-
Markup accrued		-	-	223,910	223,910	-	-	-	-
Unclaimed Dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	19,210	19,210	-	-	-	-
		-	-	<u>13,297,028</u>	<u>13,297,028</u>	-	-	-	-

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

- 19.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.
- 19.3 It excludes advances from customers, federal excise duty, bed tax and sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.

### 20 DATE OF AUTHORISATION FOR ISSUE

These unaudited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in its meeting held on 25 October 2018.



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Abdul Qadeer Khan  
Chief Financial Officer







**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

**(Unaudited)**

For the three months period ended 30 September 2018

# Condensed Interim Consolidated Statement of Financial Position (Unaudited)

As at 30 September 2018

		Unaudited 30 September 2018	Audited 30 June 2018
	Note	[Rupees'000]	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Capital reserve		416,645	416,645
Revenue reserves		7,207,687	7,539,821
Revaluation surplus on property, plant and equipment		27,530,741	27,530,741
Total equity		<u>35,480,315</u>	<u>35,812,449</u>
<b>LIABILITIES</b>			
Loans and borrowings	5	10,517,656	9,681,188
Employee benefits		725,784	704,306
Deferred tax liability - net		343,618	288,014
Non current liabilities		<u>11,587,058</u>	<u>10,673,508</u>
Short term borrowings	6	660,387	553,868
Current portion of loans and borrowings	5	1,631,583	1,359,247
Trade and other payables	7	1,974,745	1,980,750
Markup accrued		266,618	224,422
Liabilities directly associated with assets classified as held for sale		-	120
Unpaid dividend		1,529	19,210
Advance against sale of long term investment		-	115,000
Unclaimed dividend		9,242	9,242
Current liabilities		<u>4,544,104</u>	<u>4,261,859</u>
<b>Total equity and liabilities</b>		<u><u>51,611,477</u></u>	<u><u>50,747,816</u></u>

**CONTINGENCIES AND COMMITMENTS**

8

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

		Unaudited 30 September 2018	Audited 30 June 2018
	Note	[Rupees'000]	
<b>ASSETS</b>			
Property, plant and equipment	9	40,633,184	40,039,622
Advance for capital expenditure	10	1,624,565	1,532,203
Investment property		60,000	60,000
Long term investments		930,776	1,105,980
Long term deposits and prepayments		52,256	42,837
<b>Non current assets</b>		<b>43,300,781</b>	<b>42,780,642</b>
Inventories		290,256	279,917
Development properties		3,628,906	2,746,619
Trade debts		828,371	732,591
Advances, prepayments, trade deposits and other receivables		519,659	314,953
Short term investments	11	2,016,906	2,017,250
Asset held for sale	12	-	259,702
Advance tax - net		394,797	302,050
Cash and bank balances		631,801	1,314,092
<b>Current assets</b>		<b>8,310,696</b>	<b>7,967,174</b>
<b>Total assets</b>		<b>51,611,477</b>	<b>50,747,816</b>

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Profit or Loss [Unaudited]

For the three months period ended 30 September 2018

		Three months ended 30 September	
	Note	2018	2017
		[Rupees'000]	
Revenue - net	13	2,318,334	2,526,005
Cost of sales and services	14	[1,509,038]	[1,348,564]
<b>Gross profit</b>		<b>809,296</b>	<b>1,177,441</b>
Other income		69,312	28,018
Administrative expenses		[736,495]	[686,180]
Operating profit		142,113	519,279
Finance income		[125,376]	[199,253]
Unrealized loss on remeasurement of investments to fair value - net		[345]	[911]
Finance cost		[225,903]	[155,820]
Net finance cost		[351,624]	[355,984]
Share of profit in equity accounted investments		3,738	19,521
<b>[Loss] / Profit before taxation</b>		<b>[205,773]</b>	<b>182,816</b>
Income tax expense		[126,361]	[94,345]
<b>[Loss] / Profit for the period</b>		<b>[332,134]</b>	<b>88,471</b>

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months period ended 30 September 2018

	Three months ended 30 September	
	2018	2017
	[Rupees'000]	
(Loss) / Profit for the period	[332,134]	88,471
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>[332,134]</u>	<u>88,471</u>

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Cash Flow (Unaudited)

For the three months period ended 30 September 2018

	Note	Three months ended 30 September	
		2018	2017
		(Rupees'000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flow from operating activities before working capital changes	15	374,767	686,153
<b>Working capital changes</b>			
<b>[(Increase) / decrease in current assets]</b>			
Inventories		[10,339]	4,927
Development properties		[882,287]	[206,339]
Trade debts		[95,759]	[124,433]
Advances		[48,147]	[74,610]
Trade deposits and prepayments		[88,494]	[46,807]
Other receivables		[36,797]	6,035
Increase in trade and other payables		[6,005]	170,028
<b>Cash used in operations</b>		<b>[1,167,828]</b>	<b>[271,199]</b>
Staff retirement benefit - gratuity paid		[3,334]	[18,229]
Compensated leave absences paid		[4,477]	[9,358]
Income tax paid		[163,504]	[129,034]
Finance cost paid		[178,795]	[176,582]
<b>Net cash from operating activities</b>		<b>[1,143,171]</b>	<b>81,751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		[795,397]	[436,473]
Advance for capital expenditure		[92,362]	[101,935]
Proceeds from disposal of property, plant and equipment		17,611	23,940
Purchase of other financial assets		-	[598]
Proceed from disposal of held for sale asset		144,582	-
Refund of advance against purchase of land		-	630,000
Dividend income received		380	355
Receipts of return on bank deposits and short term advance		20,083	5,849
Long term deposits and prepayments		[9,419]	[13,132]
<b>Net cash used in investing activities</b>		<b>[714,522]</b>	<b>108,006</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		[267,500]	[225,000]
Proceeds from Sukuk issuance		1,361,547	-
Repayment of Lease/ diminishing musharaka facility		[7,483]	[3,866]
Dividend paid		[17,681]	[6,680]
<b>Net cash from financing activities</b>		<b>1,068,883</b>	<b>[235,546]</b>
Net increase / (decrease) in cash and cash equivalents		[788,810]	[45,789]
Cash and cash equivalents at beginning of the year		760,224	[13,972]
Cash and cash equivalents at end of the year	16	<b>[28,586]</b>	<b>[59,761]</b>

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the three months period ended 30 September 2018

Share capital	Capital reserve			Share of associate's capital reserve	Revenue reserves				Total equity
	Share premium	Surplus on revaluation of property, plant and equipment			General reserve	Exchange translation reserve (net of tax)	Surplus on remeasurement of available for sale securities	Unappropriated profit	
(Rupees'000)									
Balance at 01 July 2017	325,242	269,424	23,779,515	147,221	1,600,000	498,809	222,514	5,243,733	32,086,458
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	88,471	88,471
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	88,471	88,471
Transaction with owners of the Company									
Distribution:									
Final cash dividend 30 June 2017 declared subsequent to the year end @ Rs. 5 per share	-	-	-	-	-	-	-	(162,621)	(162,621)
Total distribution	-	-	-	-	-	-	-	(162,621)	(162,621)
Balance at 30 September 2017	325,242	269,424	23,779,515	147,221	1,600,000	498,809	222,514	5,169,583	32,012,308
Balance at 01 July 2018	325,242	269,424	27,530,741	147,221	1,600,000	714,348	104,246	5,121,227	35,812,449
Total comprehensive income for the period									
Loss / Profit for the period	-	-	-	-	-	-	-	(332,134)	(332,134)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	(332,134)	(332,134)
Balance at 30 September 2018	325,242	269,424	27,530,741	147,221	1,600,000	714,348	104,246	4,789,093	35,480,315

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

### 1 STATUS AND NATURE OF BUSINESS

Pakistan Services Limited ("the Parent Company") was incorporated on 06 December 1958 in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) as a public limited company and is quoted on Pakistan Stock Exchange Limited. The Parent Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The Parent Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Karachi, Lahore, Rawalpindi, Bhurban, Peshawar and Muzaffarabad Azad Jammu & Kashmir. The Parent Company also owns one small sized property in Lahore operating under the budget hotel concept. The Parent Company also grants franchise to use its trade mark and name "Pearl Continental".

Further the parent company is in process of constructing hotels in Multan and Mirpur, Azad Jammu & Kashmir.

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%
City Properties (Private) Limited	Real estate development	100%
Elite Properties (Private) Limited	Real estate development	100%

### 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Group for the three months period ended 30 September 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. The disclosures in this condensed interim consolidated financial information do not include the information that was reported for annual audited consolidated financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements for the year ended 30 June 2018. Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements for the year ended 30 June 2018, whereas comparative consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial information for the three months period ended 30 September 2017.

This condensed interim consolidated financial information is unaudited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan 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 and 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 annual audited consolidated financial statements for the year ended 30 June 2018 except for:



# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

Method of depreciation used for Aircraft, the depreciation is calculated on the basis of useful life of each component of Aircraft.

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2019 and are not expected to have any significant effect on the Company's financial statements:

Amendments to IAS 28 'Investments in Associates and Joint Ventures'

Amendments to IAS 19 'Employee Benefits'

IFRIC 23 'Uncertainty over Income Tax Treatments'

IFRS 16 'Leases'

Annual improvements to IFRS standards 2015-2017 cycle:

- IFRS 3 'Business Combinations'

- IFRS 11 'Joint Arrangement'

- IAS 12 'Income Taxes'

- IAS 23 'Borrowing Cost'

#### 4 SHARE CAPITAL

There is no change in authorised and issued, subscribed and paid up share capital of the Group from 30 June 2018.

		Unaudited 30 Sep 2018	Audited 30 June 2018
5	LOANS AND BORROWINGS - Secured	Note	[Rupees'000]

##### a. Non current portion

Term Finance Loan - 1		765,000	807,500
Syndicated term loan		675,000	900,000
Term Finance Loan - 2		2,150,000	2,150,000
Term Finance Loan - 3		3,000,000	3,000,000
Term Finance Loan - 4		1,850,000	1,850,000
Sukuk	5.2	3,694,880	2,333,333
Transaction cost		[66,343]	[71,257]
		12,068,537	10,969,576
Current portion of loans		[1,609,167]	[1,335,000]
		10,459,370	9,634,576
Lease finance facilities			
Lease / diminishing Musharaka Facility		80,702	70,859
Current portion		[22,416]	[24,247]
		58,286	46,612
		<u>10,517,656</u>	<u>9,681,188</u>

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2018

	Unaudited 30 Sep 2018	Audited 30 June 2018
	(Rupees'000)	
b. <b>Current portion</b>		
Current portion of loans	1,609,167	1,335,000
Current portion of Diminishing Musharaka Facility	22,416	24,247
	<u>1,631,583</u>	<u>1,359,247</u>

5.1 Except for the facility arrangement disclosed in note 5.2, the markup rates, facility limits and securities offered for loans and borrowings are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2018.

5.2 During the period the Parent Company issued 2nd tranche of Sukuk amounting to Rs. 1,361.546 million with same term and conditions as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2018.

Diminishing musharka facility is payable as follows:

	Unaudited 30 September 2018		
	Present value of minimum lease payment	Interest cost for future periods	Future minimum lease payments
	(Rupees'000)		
Not later than one year	22,416	3,324	25,740
Later than one year and not later than five years	58,286	2,765	61,051
	<u>80,702</u>	<u>6,089</u>	<u>86,791</u>

	Audited 30 June 2018		
	Present value of minimum lease payment	Interest cost for future periods	Future minimum lease payments
	(Rupees'000)		
Not later than one year	24,247	1,467	25,714
Later than one year and not later than five years	46,612	1,115	47,727
	<u>70,859</u>	<u>2,582</u>	<u>73,441</u>

## 6 SHORT TERM BORROWINGS - Secured

6.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2018.

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2018

	Unaudited 30 September 2018	Audited 30 June 2018
	(Rupees'000)	
<b>7 TRADE AND OTHER PAYABLES</b>		
Creditors	488,190	556,376
Accrued liabilities	603,263	579,585
Advances from customers	279,781	288,726
Shop deposits	55,830	57,280
Retention money	184,578	172,357
Due to related parties - unsecured	14,877	21,101
Sales tax payable	132,192	105,924
Income tax deducted at source	6,672	1,493
Un-earned income	148,867	139,376
Other liabilities	60,495	58,532
	<u>1,974,745</u>	<u>1,980,750</u>

## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

Contingencies are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2018.

		Unaudited 30 September 2018	Audited 30 June 2018
		(Rupees'000)	
8.1.1 Guarantees	Note		
		<u>277,815</u>	<u>278,724</u>
8.2 Commitments			
Commitments for capital expenditure		<u>1,227,576</u>	<u>1,601,622</u>
<b>9 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	9.1	37,425,453	36,700,470
Capital work in progress	9.2	3,207,731	3,339,152
		<u>40,633,184</u>	<u>40,039,622</u>

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2018

	Unaudited 30 September 2018	Audited 30 June 2018
--	-----------------------------------	----------------------------

Note [Rupees'000]

## 9.1 OPERATING FIXED ASSETS

Carrying value at beginning of the period	36,700,470	31,216,208
Additions during the period	290,265	1,072,490
Transfer from capital work in progress	653,879	1,705,525
Revaluation surplus	-	3,751,226
Transfer to Asset held for sale	-	(258,514)
Disposal during the period	(6,583)	(121,250)
Depreciation charge for the period	(212,578)	(665,215)
Carrying value at end of the period	<u>37,425,453</u>	<u>36,700,470</u>

## 9.2 CAPITAL WORK IN PROGRESS

Construction of Pearl Continental Multan	1,108,320	1,032,064
Construction of Pearl Continental Mirpur Aircraft	1,402,981	1,311,671
Other civil works	-	612,912
	696,431	382,505
	<u>3,207,731</u>	<u>3,339,152</u>

## 10 ADVANCE FOR CAPITAL EXPENDITURE

Advance for purchase of land		697,470	667,820
Advance for purchase of Malir Delta Land	10.1	381,656	381,656
		<u>1,079,126</u>	<u>1,049,476</u>
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		318,348	358,660
Advances for Pearl Continental Multan Project		109,964	72,420
Advances for Pearl Continental Mirpur Project		117,127	51,647
		545,439	482,727
		<u>1,624,565</u>	<u>1,532,203</u>

- 10.1 This represents amount paid for purchase of 1/3rd share [113.34 acres of land] from Ms. Seema Tressa Gill's situated in Deh Dih in the Delta of Malir River. The Parent Company relying upon the representation of good title by Ms. Seema Tressa Gill entered into a Agreement to Sale with her 1/3rd share [113.34 acres land] against a total sale consideration of Rs 80 million which was followed by registered documents inter-alia includes a Deed of Conveyance. The relevant documents provide for indemnification by the Seller's against all losses, detriments occasioned to or sustained/suffered by the Purchaser due to any defect in the title of the Seller. The Parent Company also paid regularization fee amounting to Rs. 301.65 million to the Land Utilization Department Government of Sindh on her behalf through Challan.

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2018

Legal proceedings of the above said piece of land were instituted in the Courts of Law, the Parent Company being aggrieved and dissatisfied with a impugned judgment of High Court against dismissal of its Constitution Petition has filed a Civil Petition for Leave to Appeal (CPLA) before Hon'ble Supreme Court of Pakistan and presently the matter is pending adjudication before the Apex Court and Parent Company is diligently pursuing the same. The Parent Company is hopeful of a favorable result. However, even if there is an adverse decision as per legal opinion, the Parent Company would be entitled to recover the amounts from the Seller as well as from the relevant Government Department. In this regard the paid Challan for regularization fee also states that "Subject to the condition that the land in question is available on site and the lease money may be deposited into Government Treasury in the relevant Head of Accounts by the depositor at his own risk. In case if any irregularity/ false information/ concealment of facts / stay of court is noticed hereafter, the malkano amount paid to this effect by the depositor shall be reimbursed."

	Note	Unaudited	Audited
		30 September 2018	30 June 2018
		(Rupees'000)	
<b>11 SHORT TERM INVESTMENTS</b>			
Shares of listed companies		7,384	7,728
Term Deposit Receipt	11.1	2,009,522	2,009,522
		2,016,906	2,017,250

11.1 This represent term deposit receipts having maturity of 3 months to one year carrying interest rate ranging from 5% to 5.7% (2018: 5% to 5.22%) per annum.

## 12 ASSET HELD FOR SALE

During the period asset classified as held for sale were disposed off as per terms disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2018.

	Note	Three months ended 30 September	
		2018	2017
		(Rupees'000)	
<b>13 REVENUE</b>			
Rooms		1,266,998	1,458,686
Food and beverages		1,266,593	1,312,178
Other related services	13.1	155,125	147,401
Vehicles rental		45,954	40,425
Shop license fees		15,441	12,349
Revenue - gross		2,750,111	2,971,039
Discounts and commissions		(52,263)	(43,330)
Sales tax		(379,514)	(401,704)
Revenue - net		2,318,334	2,526,005

13.1 This includes revenue from telephone, laundry, discount cards and other ancillary services.

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2018

	Three months ended 30 September	
	2018	2017
	[Rupees'000]	
<b>14 COST OF SALES AND SERVICES</b>		
Food and beverages		
Opening balance	86,196	83,160
Purchases during the period	409,423	383,330
Closing balance	(87,083)	(86,762)
Consumption during the period	<u>408,536</u>	<u>379,728</u>
Direct expenses		
Salaries, wages and benefits	433,844	375,571
Heat, light and power	229,539	219,507
Repair and maintenance	86,169	80,950
Depreciation	191,321	129,472
Guest supplies	52,237	57,690
Linen, china and glassware	26,434	27,015
Communication and other related services	20,790	18,595
Banquet and decoration	12,090	19,657
Transportation	6,188	5,725
Uniforms	6,386	5,130
Music and entertainment	3,551	2,828
Insurance	1,012	1,239
Vehicle operating expense	9,285	9,405
Vehicle rental and registration charges	10,556	6,835
Others	11,100	9,217
	<u>1,509,038</u>	<u>1,348,564</u>
<b>15 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>		
Profit before tax	(205,773)	182,816
Adjustments for:		
Depreciation	212,578	144,081
Gain on disposal of property, plant and equipment	(11,028)	(1,065)
Provision for staff retirement benefit - gratuity	22,665	16,071
Provision for compensated leave absences	6,624	8,100
Reversal for doubtful debts	[21]	[801]
Return on bank deposits / certificate of investment	(51,350)	(5,581)
Share of profit in equity accounted investments	(3,738)	(19,521)
Finance cost	225,903	155,820
Dividend income	[380]	[355]
Unrealised loss on remeasurement of investments to fair value	345	911
Impairment / reversal on investment in associated companies	178,942	205,677
	<u>374,767</u>	<u>686,153</u>

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

Three months ended  
30 September  
2018                      2017  
(Rupees'000)

### 16 CASH AND CASH EQUIVALENTS

Cash and bank balances	631,801	351,303
Short term borrowings	(660,387)	(411,064)
	<u>(28,586)</u>	<u>(59,761)</u>

### 17 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated and subsidiary companies, directors as well as their close family members, companies with common directorship, executives, key management personnel, major shareholders and provident fund. Transactions and balances with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Three months ended 30 September	
	2018	2017
	(Rupees'000)	
Transactions and balances with associated undertakings		
Sales	13	77
Services provided	2,476	4,281
Services availed	12,874	6,777
Purchases	33,734	21,049
Franchise fee - income	1,097	1,037
Franchise and management fee - expense	2,290	2,399
Refund of advance for purchase of land	-	630,000
Dividend paid	13,473	53
Balances as at the period end:		
- Trade debts	10,644	* 9,835
- Advances	37,352	* 30,398
Transactions and balances with other related parties		
Sales	155	-
Services provided	232	463
Services availed	11,171	11,470
Purchases	1,358	938
Contribution to defined contribution plan - provident fund	13,946	11,143
Project Management fee	75,000	
Balances as at the period end:		
- Trade debts	855	* 1,070
- Advance for capital expenditure	626,820	* 626,820
Transactions with key management personnel		
Remuneration and allowances including staff retirement benefits	35,100	31,325

\* Represents balances as at 30 June 2018.

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

### 18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

#### 18.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount			Fair value				
		Fair value through profit or loss	Loans and receivables	Other financial liabilities	Amount in Rs'000				
					Total	Level 1	Level 2	Level 3	Total
<b>30 September 2018</b>									
Financial assets measured at fair value									
Short term investment	11	7,384	-	-	7,384	7,384	-	-	7,384
Financial assets not measured at fair value									
Long term deposits		-	43,941	-	43,941	-	-	-	-
Trade debts		-	828,371	-	828,371	-	-	-	-
Advance to employees		-	42,878	-	42,878	-	-	-	-
Trade deposits		-	34,419	-	34,419	-	-	-	-
Other receivables		-	137,930	-	137,930	-	-	-	-
Interest accrued		-	43,890	-	43,890	-	-	-	-
Term deposit receipt	11	-	2,009,522	-	2,009,522	-	-	-	-
Cash and bank balances		-	631,801	-	631,801	-	-	-	-
		-	3,772,752	-	3,772,752	-	-	-	-
Financial liabilities not measured at fair value									
Loans and borrowings	5	-	-	12,134,880	12,134,880	-	-	-	-
Short term borrowings	6	-	-	660,387	660,387	-	-	-	-
Liabilities against diminishing Musharka facility	5	-	-	80,702	80,702	-	-	-	-
Trade and other payables	7	-	-	1,407,233	1,407,233	-	-	-	-
Markup accrued		-	-	266,618	266,618	-	-	-	-
Unclaimed dividend		-	-	1,529	1,529	-	-	-	-
Unpaid dividend		-	-	9,242	9,242	-	-	-	-
		-	-	14,560,591	14,560,591	-	-	-	-



# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

## For the three months period ended 30 September 2018

Note	Carrying amount			Fair value					
	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Amount in Rs'000					
				Total	Level 1	Level 2	Level 3	Total	
<b>30 June 2018</b>									
Financial assets measured at fair value									
Short term investment	11	7,728	-	-	7,728	7,728	-	-	7,728
Financial assets not measured at fair value									
Long term deposits	-	34,522	-	34,522	-	-	-	-	-
Trade debts	-	732,591	-	732,591	-	-	-	-	-
Advance to employees	-	22,150	-	22,150	-	-	-	-	-
Trade deposits	-	27,839	-	27,839	-	-	-	-	-
Other receivables	-	101,133	-	101,133	-	-	-	-	-
Interest accrued	-	12,623	-	12,623	-	-	-	-	-
Term deposit receipt	11	2,009,522	-	2,009,522	-	-	-	-	-
Cash and bank balances	-	1,314,092	-	1,314,092	-	-	-	-	-
		-	4,254,472	-	4,254,472	-	-	-	-
Financial liabilities not measured at fair value									
Loans and borrowings	5	-	11,040,833	11,040,833	-	-	-	-	-
Short term borrowings	6	-	553,868	553,868	-	-	-	-	-
Liabilities against diminishing Musharka facility	5	-	70,859	70,859	-	-	-	-	-
Trade and other payables	7	-	1,445,231	1,445,231	-	-	-	-	-
Markup accrued	-	-	224,422	224,422	-	-	-	-	-
Unclaimed dividend	-	-	9,242	9,242	-	-	-	-	-
Unpaid dividend	-	-	19,210	19,210	-	-	-	-	-
		-	13,363,665	13,363,665	-	-	-	-	-

18.2 The Group has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.

18.3 It excludes advances from customers, federal excise duty, bed tax and sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.

### 19 DATE OF AUTHORISATION FOR ISSUE

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Parent Company in its meeting held on 25 October 2018 .

  
M.A. Bawany  
Director

  
Shakir Abu Bakar  
Director

  
Abdul Qadeer Khan  
Chief Financial Officer







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