



PAKISTAN SERVICES LTD.



Pearl-Continental
HOTELS & RESORTS



CONDENSED INTERIM FINANCIAL INFORMATION

(UNAUDITED)

For the six months period ended 31 December 2015

Cultured like no other pearl in the world



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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 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 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 another small hotel with 32 rooms in the Lahore city.

BOARD OF DIRECTORS

Mr. Sadruddin Hashwani	Chairman & CEO
Mr. M. A. Bawany	
Mr. Mansoor Akbar Ali	
Syed Sajid Ali	
Mr. Shakir Abu Bakar	
Mr. Muhammad Rafique	
Mr. Bashir Ahmed	
Mr. Talat Hameed	
Mr. M. Ahmed Ghazali Marghoob	

AUDIT COMMITTEE

Mr. M. Ahmed Ghazali Marghoob
Mr. Mansoor Akbar Ali
Syed Sajid Ali
Mr. Talat Hameed

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M. A. Bawany
Syed Sajid Ali
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
Bank Alfalah Limited
JS Bank Limited
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited
Industrial and Commercial Bank of China
Albaraka 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.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.info
http://www.hashoo.info

SHARE REGISTRAR

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

Directors' Report

Dear Members,

On Behalf of the Board of Directors of Pakistan Services Limited (PSL), I am pleased to present before you the condensed interim financial information of the Company for half year ended 31 December 2015.

Economic Overview

Pakistan's Gross Domestic Products (GDP) growth is expected to climb up to 4.5% in the current financial year, which is mainly due to aftermath of some extra-ordinary favorable indicators, such as continued falling in oil prices and single digit inflation. This surge in GDP growth, will boost up the local economy along with alleviation of power shortages.

The Government of Pakistan is also making steady progress in the infrastructure development, with specific emphasis on roads and rail network. Foreign investors are attracted to play their part and for sure China-Pakistan Economic Corridor will have a positive impact on the progress of Pakistan.

Overall performance of the Company

The Company secured net total revenue of Rs.4,495 million during the six months period under review, showing a notable growth of 24%, when compared with the first half of last financial year where the same was recorded at Rs.3,630 million.

Profit (after tax) for the first half of this year has been recorded at Rs.870 million as against Rs.459 million of the corresponding period of last financial year.

Highlights of Performance:

For the six months period ended 31 December

2015 2014

(Rupees in million)

Sales and services-net	<u>4,495</u>	<u>3,630</u>
Gross profit	<u>2,147</u>	<u>1,511</u>
Profit before taxation	<u>1,080</u>	<u>595</u>
Profit after taxation	<u>870</u>	<u>459</u>
Earnings per share (Rupees)	<u>26.74</u>	<u>14.12</u>

Interim Dividend

The Board of Directors has declared interim cash dividend at 50% that is, Rs.5/- per share.

Performance of Rooms Department

During the period under review, net revenue from rooms department has been recorded at Rs.2,169 million as against Rs.1,695 million in the comparative period of last financial year reflecting an overall incremental business value of 28%. There has been an increase of 9% in Average Daily Room Rate (ADR) during the period under review, which played a major role in achieving the afore-mentioned growth.

Performance of Food & Beverage (F&B) Department

Net revenue from this segment in the reviewing period has been recorded at Rs.2,123 million as against Rs.1,746 million of the comparable period of last year with a commendable growth of 22%.

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

Net revenue from these minor segments grew at the rate of 7% during the period under review and has been recorded at Rs.203 million as against Rs.189 million of the corresponding period of last financial year.

Future Prospects

The Hospitality Industry which rests upon tourism, trade, economic activities, law & order situation and development projects, will certainly be benefited due to massive investments from China coupled with improved law & order situation and expected to strengthen up the economic growth.

Your Company is continuously focused on the projects that are geared towards modernization and expansion of its existing facilities and infrastructure. The company adhering to its long term strategy, is on track to embracing modern technologies and improved services in order to remain in the forefront of the Hospitality Industry.

Consolidated Results

The Sales and Services, based on the consolidated financial information for the six months period under review, recorded at Rs.4,546 million as against Rs.3,677 million of in the corresponding period of last financial year with a phenomenal growth of 24%. Profit after-tax for the reviewing period earned Rs.889 million as compared to Rs.406 million of the comparative period of last year.

Change in Board of Directors

During the period under review, Ms. Sarah Hashwani, Mr. Josef Kufer and Mr. Hassan Ali Vellani resigned from the Board and in their place Mr. Mansoor Akbar Ali, Syed Sajid Ali and Mr. M. Ahmed Ghazali Marghoob joined the Board as Directors of the company to fill these casual vacancies. The Board wishes to place on record its appreciation for the services rendered by its outgoing members and warmly welcomes new Directors and look forward to their valuable contributions to the success of the company during their ensuing tenure.

Acknowledgement

On behalf of the Board of Directors, I express gratitude to the employees of the Company for their dedicated professional services. The Company is also thankful to its consultants, bankers, advisers and the shareholders for the advice, understanding and firm support which is prerequisite for the success of our programs, projects and business operations. Last but not the least, we are also thankful to our valued guests for their patronage and encouragement to the Company and its employees to keep providing them with the best level of products & services.

For and on behalf of the Board of Directors



Sadruddin Hashwani
Chairman
Islamabad: 23 February 2016

ڈائریکٹرز رپورٹ

محترم اراکین:

پاکستان سروسز لمیٹڈ (پی ایس ایل) کے بورڈ آف ڈائریکٹرز کی جانب سے میں 31 دسمبر 2015 کو ختم ہوئے گزشتہ چھ ماہ کی کارکردگی پر عبوری مالیاتی معلومات مسرت کے ساتھ پیش کرتا ہوں۔

1- اقتصادی جائزہ:

پاکستان کی مجموعی گھریلو مصنوعات (جی ڈی پی) موجودہ سال میں 4.5 فیصد تک برتری کی توقع کی جاتی ہے جو کہ کچھ غیر معمولی سازگار اشارے سے منسوب ہے، مثال کے طور پر تیل اور دیگر اشیائے افراط زر میں کمی، اس سطح کی جی ڈی پی نمو مقامی معیشت کو بڑھانے میں راہ ہموار کرے گا۔ اس طرح کے مثبت معاشی رویے بھی بجلی کے بحران کے خاتمے کی سمت کو کم کرنے میں معاون ہو سکتا ہے۔ حکومت بالخصوص سڑک اور ریل نیٹ ورک کی توسیع کرنے کے لئے بنیادی ڈھانچے کی ترقی میں مسلسل پیش رفت ہے۔ غیر ملکی سرمایہ کار اپنا کردار ادا کرنے کے لیے آ رہے ہیں اور اس بات کا یقین ہے کہ پاک چین اقتصادی راہداری سے مقامی معیشت پر مثبت اثر پڑے گا۔

2- کمپنی کی مجموعی کارکردگی:

متذکرہ ششماہی میں کمپنی کی کل آمدنی (خالص) 4,495 ملین روپے رہی جو گزشتہ سال 3,630 ملین روپے تھی جو 24% کی شرح سے قابل ذکر واضح اضافہ ہے۔
متذکرہ مدت میں منافع (ٹیکس کوٹنی کے بعد) 870 ملین روپے ریکارڈ کیا گیا ہے جو کہ گزشتہ سال کے دوران 459 ملین روپے کے مد مقابل ہے۔

کارکردگی کی جھلکیاں

ششماہی مدت اختتام 31 دسمبر (قرملین روپے میں)		
2015	2014	
4,495	3,630	فروخت اور خدمات (خالص)
2,147	1,511	کل منافع
1,080	595	ٹیکس کٹوتی کے بغیر منافع
870	459	ٹیکس کٹوتی کے بعد منافع
26.74	14.12	نی کس شیئر آمدنی (روپے)

عبوری تقسیم شدہ منافع

بورڈ آف ڈائریکٹرز نے 50 فیصد کی شرح سے جو کہ -/5 روپے فی حصص بتاتا ہے عبوری تقسیم شدہ منافع دینے کا اعلان کیا ہے۔

1- رومز ڈیپارٹمنٹ کی کارکردگی:

زیر جائزہ مدت کے دوران آمدنی (خالص) 28 فیصد اضافہ کاروباری قدر کے ساتھ گزشتہ سال کی تقابلی مدت کی 1,695 ملین روپے کے مقابلے 2,169 ملین روپے ریکارڈ کی گئی۔ زیر جائزہ مدت کے دوران میں اوسط یومیہ کمرے کی شرح (ADR) میں مجموعی طور پر 9 فیصد اضافہ ہوا۔

2- فوڈ اینڈ بیورٹیج (F&B) محکمہ کی کارکردگی:

ریونیو (خالص) اس جز سے زیر جائزہ مدت میں گزشتہ سال کے مقابلے کی مدت کے 1,746 ملین روپے کے مقابلے 2,123 ملین روپے حاصل کیا اور 22 فیصد کا ایک قابل ذکر اضافہ ریکارڈ کیا گیا۔

3- دیگر متعلقہ خدمات / الائنس فیس / سفر اور ٹورڈویژن کی کارکردگی:

ریونیو (خالص) ان معمولی شعبہ جات سے زیر جائزہ مدت کے دوران 7 فیصد کے ساتھ بڑھی اور گزشتہ سال اسی عرصہ کے 189 ملین روپے کے مقابلے 203 ملین روپے سے حاصل کیا۔

4- مستقبل کے امکانات:

Hospitality Industry (مہمان نوازی) جس کا دارو مدار سیر و سیاحت، تجارت، معاشی

سرگرمیوں، امن و امان کی صورتحال اور ترقیاتی منصوبے پر ہے جس میں بہتری کے ساتھ چین سے بڑی سرمایہ کاری کے ذریعے استفادہ کیا جاسکتا ہے۔

آپ کی کمپنی نئے منصوبوں پر مسلسل نظر رکھے ہوئے ہے تاکہ موجودہ سہولیات اور بنیادی ڈھانچے میں اضافہ ہو سکے۔ کمپنی اپنی طویل المدتی حکمت عملی کے تحت نئی ٹیکنالوجی کے حصول اور مہمان نوازی کی صنعت میں ہر اول دستے کا کردار ادا کرنے کے لئے پُر عزم ہے۔

5- مجموعی نتائج:

خدمات اور فروخت کی مالیاتی معلومات کو یکجا کر کے دیکھا جائے تو چھ ماہ کی مدت کے دوران 4,546 ملین روپے کی آمدن ہوئی جو گزشتہ سال اسی عرصہ کے دوران 3,677 ملین روپے تھی۔ گویا یہ 24% کا اضافہ ہوا۔ ٹیکس کی کٹوتی کے بعد منافع 889 ملین روپے ریکارڈ کیا گیا جو قابل ذکر ہے جو گزشتہ سال اسی عرصہ کے دوران 406 ملین روپے تھا۔

6- بورڈ آف ڈائریکٹرز میں تبدیلی:

زیر نظر جائزہ مدت کے دوران محترمہ سارا ہاشوائی، محترم جوزف Kufer اور محترم حسن علی Velani نے بورڈ سے استعفیٰ دیا اور ان کی جگہ جناب منصور اکبر علی، سید ساجد علی اور جناب محمد احمد غزالی مرغوب نے بورڈ میں شمولیت اختیار کی۔ بورڈ سبکدوش ہونے والے ارکان کو ان کی خدمات پر خراج تحسین پیش کرتا ہے اور نئے آنے والے ڈائریکٹرز کو خوش آمدید کہتا ہے کہ وہ اپنے دور میں کمپنی کی ترقی میں بہترین خدمات سرانجام دیں گے۔

7- خراج تحسین:

بورڈ کی جانب سے میں کمپنی کے ملازمین کا اُن کی پیشہ وارانہ خدمات پر شکریہ ادا کرتا ہوں۔ کمپنی اپنے قابل قدر برورکمز، مشیروں اور حصص یافتگان کو کبھی خراج عقیدت پیش کرتی ہے کہ انہوں نے ہمارے پروگرام اور منصوبوں اور معمول کے کاروبار کو کامیاب بنانے میں اپنی حمایت اور قیمتی اراء سے نوازا۔ آخر میں اپنے ان معزز مہمانوں کا شکریہ ادا کرنا چاہوں گا جن کی حمایت اور رہنمائی میں کمپنی اور اس کا اسٹاف شب و روز بہتر مصنوعات اور خدمات فراہم کرنے کی جانب کامیابی سے گامزن ہیں۔ والسلام۔



صدر الدین ہاشوائی
چیئرمین

اسلام آباد: 23 فروری 2016

Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Pakistan Services Limited ("the Company") as at 31 December 2015, and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred as 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.

Other matters

The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2015, have not been reviewed and we do not express a conclusion on them.

Date: 23 February 2016
Islamabad



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





CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL INFORMATION
(UNAUDITED)

For the six months period
ended 31 December 2015

Condensed Interim Unconsolidated Balance Sheet As at 31 December 2015

		Unaudited 31 December 2015	Audited 30 June 2015
	Note	(Rupees'000)	
SHARE CAPITAL AND RESERVES			
Authorised share capital		500,000	500,000
50,000,000 (30 June 2015: 50,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up share capital		325,242	325,242
Reserves		1,869,424	1,869,424
Unappropriated profit		5,998,121	5,290,960
		8,192,787	7,485,626
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		23,779,515	23,779,515
NON CURRENT LIABILITIES			
Long term financing - secured	4	835,716	685,128
Liabilities against assets subject to finance lease - secured	5	-	-
Deferred liabilities		657,874	645,072
		1,493,590	1,330,200
CURRENT LIABILITIES			
Trade and other payables	6	1,836,990	1,632,709
Markup accrued		34,040	38,253
Short term borrowings - secured	7	377,286	-
Current portion of long term financing and liabilities against assets subject to finance lease		188,264	74,392
		2,436,580	1,745,354
		35,902,472	34,340,695
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

		Unaudited 31 December 2015	Audited 30 June 2015
	Note	(Rupees'000)	
NON CURRENT ASSETS			
Property, plant and equipment	9	29,360,184	28,897,404
Advance for capital expenditure	10	1,144,938	1,175,457
Investment property		45,000	45,000
Long term investments	11	939,338	328,360
Long term deposits and prepayments		22,131	18,864
		31,511,591	30,465,085
CURRENT ASSETS			
Stores, spare parts and loose tools		181,508	150,389
Stock in trade - food and beverages		79,016	90,715
Trade debts		675,475	510,208
Advances	12	585,993	580,723
Trade deposits and prepayments		112,567	63,883
Interest accrued		31,106	5,768
Other receivables		60,393	35,518
Other financial assets	13	1,235,338	1,082,204
Non current assets held for sale	14	586,403	586,403
Advance tax - net		27,196	4,229
Cash and bank balances		815,886	765,570
		4,390,881	3,875,610
		35,902,472	34,340,695



Chief Executive



Director

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited) For the six months period ended 31 December 2015

	Note	Three months ended 31 December		Six months ended 31 December	
		2015	2014	2015	2014
		(Rupees'000)			
Sales and services - net	15	2,412,816	2,063,790	4,494,664	3,630,201
Cost of sales and services	16	(1,148,547)	(1,063,806)	(2,347,619)	(2,119,547)
Gross profit		1,264,269	999,984	2,147,045	1,510,654
Administrative expenses		(634,931)	(545,327)	(1,285,482)	(1,122,106)
Finance cost		(32,310)	(28,778)	(59,563)	(55,535)
Other income/ (loss) - net		(145,800)	187,398	277,998	261,785
Profit before taxation		451,228	613,277	1,079,998	594,798
Taxation		(119,814)	(69,155)	(210,216)	(135,575)
Profit for the period		331,414	544,122	869,782	459,223
Earnings per share - basic and diluted (Rupees)	17	10.19	16.73	26.74	14.12

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited) For the six months period ended 31 December 2015

	Three months ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014
	(Rupees'000)			
Profit for the period	331,414	544,122	869,782	459,223
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>331,414</u>	<u>544,122</u>	<u>869,782</u>	<u>459,223</u>

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited) For the six months period ended 31 December 2015

	Note	Six months ended 31 December	
		2015	2014
		(Rupees'000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from operating activities before working capital changes	18	1,213,586	730,477
Working capital changes			
(Increase)/ decrease in current assets			
Stores, spare parts and loose tools		(31,119)	(3,465)
Stock in trade - food and beverages		11,699	(1,839)
Trade debts		(177,557)	(155,214)
Advances		(5,270)	2,893
Trade deposits and prepayments		(48,684)	(27,499)
Other receivables		(24,875)	(5,533)
Increase / (decrease) in current liabilities			
Trade and other payables		80,826	(123,979)
Cash used in operations		(194,980)	(314,636)
Staff retirement benefit - gratuity paid		(12,314)	(34,613)
Compensated leave absences paid		(16,461)	(12,977)
Income tax paid		(234,536)	(151,886)
Finance cost paid		(76,898)	(77,466)
Net cash generated from operating activities		678,397	138,899
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(631,564)	(589,885)
Advance for capital expenditure		(46,229)	(30,432)
Proceeds from disposal of property, plant and equipment		24,575	2,013
Refund of advance against equity investment		-	6,000
Advance against equity investment		(610,978)	-
Proceeds from maturity of other financial assets		-	255,505
Dividend income received		18,241	438
Return on bank deposits		21,233	10,368
Long term deposits / prepayments		(3,267)	(817)
Net cash used in investing activities		(1,227,989)	(346,810)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance		(33,334)	(116,667)
Dividend paid		(39,166)	-
Proceeds from syndicated term finance		300,000	400,000
Repayment of liabilities against assets subject to finance lease		(4,878)	(4,296)
Net cash generated from financing activities		222,622	279,037
Net (decrease)/ increase in cash and cash equivalents		(326,970)	71,126
Cash and cash equivalents at beginning of the period		765,570	161,550
Cash and cash equivalents at end of the period	19	438,600	232,676

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited) For the six months period ended 31 December 2015

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

(Rupees '000)

Balance at 01 July 2014 325,242 269,424 1,600,000 4,230,956 6,425,622

Changes in equity for the period ended 31 December 2014

Total comprehensive income for the period

Profit for the period	-	-	-	459,223	459,223
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	459,223	459,223

Balance at 31 December 2014 325,242 269,424 1,600,000 4,690,179 6,884,845

Balance at 01 July 2015 325,242 269,424 1,600,000 5,290,960 7,485,626

Changes in equity for the period ended 31 December 2015

Total comprehensive income for the period

Profit for the period	-	-	-	869,782	869,782
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	869,782	869,782

Final cash dividend for the year ended 30 June 2015 declared subsequent to the year end (@ Rs. 5 per share)

- - - (162,621) (162,621)

Balance at 31 December 2015 325,242 269,424 1,600,000 5,998,121 8,192,787

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

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 Ordinance, 1984) as a public limited company and is quoted on Karachi 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 six months period ended 31 December 2015 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 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 the information that reported for annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2015. Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2015, 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 2014.

This condensed interim unconsolidated financial information is unaudited and 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

- 3.1 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 2015 except that IFRS 13 'Fair Value Measurement' became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' are disclosed in notes 3.3 and 21 to this condensed interim financial information.
- 3.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016 and are not expected to have any significant effect on condensed interim unconsolidated financial information of the Company:

- Amendments to IAS 38 'Intangible Assets	(effective 01 January 2016)
- Amendments to IAS 16 'Property, Plant and Equipment	(effective 01 January 2016)
- Amendments to IFRS 10 – Consolidated Financial Statements	(effective 01 January 2016)

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

- Amendments to IAS 28 – Investments in Associates and Joint Ventures (effective 01 January 2016)
- Amendments to IFRS 11 'Joint Arrangements' (effective 01 January 2016)
- Amendment to IAS 27 'Separate Financial Statement' (effective 01 January 2016)
- Amendment to IAS 41 'Agriculture' (effective 01 January 2016)

Amendments to following standards as annual improvements cycle of 2012-2014, Most of amendments will apply prospectively for annual period beginning on or after 01 January 2016:

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7 'Financial Instruments- Disclosures'
- IAS 19 'Employee Benefits'
- IAS 34 'Interim Financial Reporting'

The above amendments are not likely to have an impact on the Company's financial statements.

- 3.3 IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial statements of the Company's, except certain additional disclosures.

		Unaudited 31 December 2015	Audited 30 June 2015
4. LONG TERM FINANCING - secured	Note	(Rupees'000)	
From banking companies			
Term finance loan		83,333	116,667
Syndicated term loan		937,800	635,128
Current portion	4.1	1,021,133 (185,417)	751,795 (66,667)
		<u>835,716</u>	<u>685,128</u>

- 4.1 The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 June 2015.

5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE- secured

The markup rate, facility limit and securities offered for this lease finance arrangement are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 June 2015.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

		Unaudited 31 December 2015	Audited 30 June 2015
	Note	(Rupees'000)	
6. TRADE AND OTHER PAYABLES			
Creditors		385,609	399,313
Accrued liabilities		525,027	503,639
Advances from customers		269,480	236,779
Shop deposits		53,395	54,339
Due to related parties - unsecured		6,852	4,987
Sales tax - net		151,118	116,422
Bed tax		61,492	60,359
Un-earned income		123,120	129,049
Unclaimed dividend	6.1	126,989	3,534
Retention money		86,529	82,577
Others		47,379	41,711
		<u>1,836,990</u>	<u>1,632,709</u>
6.1	It includes an amount of Rs. 2.933 million of related parties.		
7. SHORT TERM BORROWINGS - secured			
The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 June 2015.			
8. CONTINGENCIES AND COMMITMENTS			
8.1 Contingencies			
Contingencies are the same as disclosed in the audited unconsolidated annual financial statements of the Company for the year ended 30 June 2015 except for the commitments and guarantees as disclosed below:			
		Unaudited 31 December 2015	Audited 30 June 2015
		(Rupees'000)	
8.1.1 Guarantees - secured		<u>188,805</u>	<u>188,173</u>
This includes guarantee of Rs. 50 million (30 June 2015: Rs. 50 million), issued on behalf of a subsidiary company.			
		Unaudited 31 December 2015	Audited 30 June 2015
8.2 Commitments		(Rupees'000)	
Commitments for capital expenditure		<u>457,057</u>	<u>819,189</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

	Owned assets	Leased assets	Capital work in progress	Total
9. PROPERTY, PLANT AND EQUIPMENT				
Unaudited 31 December 2015 - (Rupees in '000)				
Carrying value at beginning of the period	27,841,967	21,144	1,034,293	28,897,404
Additions during the period	419,655	-	304,448	724,103
Transfer from capital work in progress	67,384	-	(67,384)	-
Disposal during the period	(22,319)	-	-	(22,319)
Depreciation charge for the period	(237,467)	(1,537)	-	(239,004)
Carrying value at end of the period	28,069,220	19,607	1,271,357	29,360,184
Audited 30 June 2015 - (Rupees in '000)				
Carrying value at beginning of the year	23,660,402	24,589	643,764	24,328,755
Additions during the year	224,039	-	842,756	1,066,795
Transfer from capital work in progress	452,227	-	(452,227)	-
Surplus on revaluation	3,925,950	-	-	3,925,950
Disposal during the year	(6,346)	-	-	(6,346)
Depreciation charge for the year	(414,305)	(3,445)	-	(417,750)
Carrying value at end of the year	27,841,967	21,144	1,034,293	28,897,404
			Unaudited 31 December 2015	Audited 30 June 2015
10. ADVANCE FOR CAPITAL EXPENDITURE				
	Note		(Rupees'000)	
Purchase of land			666,820	666,820
Purchase of apartment			40,509	40,509
Malir Delta Land	10.1		381,656	381,656
Advance for purchase of fixed assets			55,953	86,472
			<u>1,144,938</u>	<u>1,175,457</u>

- 10.1 This represents amount paid for purchase of 113.34 acres of land and fee for regularization of land as per the value assessed by the Land Regularization Committee established by the Government of Sindh under the Sindh Ordinance, 2001. The Honourable High Court of Sindh at Karachi dismissed the Constitution Petition filed by the Company challenging the impugned order of the Accountability Court Karachi declaring that any transfer of title or creation of any third party interest in the said land was declared void. The Company being aggrieved and dissatisfied with this impugned judgment for dismissal of its Constitution Petition has filed a Civil petition for leave to Appeal (CPLA) in the Honourable Supreme Court of Pakistan which is pending. Though the management

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

is hopeful for favourable outcome of this matter, in the eventuality of an adverse outcome, the management, on the basis of legal opinion, believes that the Company will seek recovery of purchase consideration and land regularization fee paid to the seller and Land Regularization Department respectively.

11. LONG TERM INVESTMENTS

- 11.1 Pursuant to the directions of the Honourable Islamabad High Court, the members of Bhurban Resorts (Private) Limited and the Pakistan Services Limited have approved the merger of Bhurban Resorts (Private) Limited into Pakistan Services Limited vide their special resolution passed at their joint Extra Ordinary General Meeting held on 03 August 2015. Subsequent to the balance sheet date, Honourable High Court of Islamabad approved the merger effective 15 February 2016. Accordingly, accounting adjustments relating to merger have not been incorporated in the unconsolidated financial information. The net assets of Bhurban Resorts (Private) Limited as at 31 December 2015 are Rs. 15.664 million.
- 11.2 This includes advance amount of Rs. 610.924 million against equity towards 61,092,443 numbers of ordinary shares of Rs. 10/- each (30 June 2015 : Rs. Nil) and Rs. 0.054 million towards 5,444 numbers of ordinary shares of Rs. 10/- each (30 June 2015 : Rs. Nil) given to wholly owned subsidiary companies respectively to M/s City Properties (Private) Limited and M/s Elite Properties (Private) Limited.

12. ADVANCES

This mainly includes short term advance of Rs. 500 million (30 June 2015: Rs. 500 million) extended to an associated company M/s Hashwani Hotels Limited carrying markup rate of 1- year KIBOR plus 3% (30 June 2015: 1- year KIBOR plus 3%) per annum and secured against ranking charge on Karachi Marriott Hotel.

13. OTHER FINANCIAL ASSETS

This mainly includes investment in an associated company having carrying value of Rs. 1,226 million (30 June 2015 : Rs. 1,071 million).

14. NON CURRENT ASSETS HELD FOR SALE

This represents 98,000 shares in Hashoo Group Limited - British Virgin Island. The Company has agreed to sell these shares for a total consideration of USD 5.99 million. The sale is expected to be finalized before the year end.

	Unaudited Three months ended 31 December		Unaudited Six months ended 31 December	
	2015	2014	2015	2014
	(Rupees'000)			
Rooms	1,370,844	1,169,389	2,526,192	1,974,157
Food and beverages	1,328,410	1,135,635	2,496,425	2,062,249
Other related services	132,379	126,502	255,700	240,422
Shop license fees	8,354	6,098	16,413	13,083
	2,839,987	2,437,624	5,294,730	4,289,911
Discounts and commissions	(36,753)	(30,599)	(71,183)	(62,159)
Sales tax	(390,418)	(343,235)	(728,883)	(597,551)
	2,412,816	2,063,790	4,494,664	3,630,201

15. SALES AND SERVICES - net

Rooms	1,370,844	1,169,389	2,526,192	1,974,157
Food and beverages	1,328,410	1,135,635	2,496,425	2,062,249
Other related services	132,379	126,502	255,700	240,422
Shop license fees	8,354	6,098	16,413	13,083
	2,839,987	2,437,624	5,294,730	4,289,911
Discounts and commissions	(36,753)	(30,599)	(71,183)	(62,159)
Sales tax	(390,418)	(343,235)	(728,883)	(597,551)
	2,412,816	2,063,790	4,494,664	3,630,201

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

16. COST OF SALES AND SERVICES	Unaudited		Unaudited	
	Three months ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014
	(Rupees'000)			
Food and beverages				
Opening balance	97,720	110,356	90,715	87,021
Purchases during the period	377,675	318,543	761,211	633,884
Closing balance	(79,016)	(88,860)	(79,016)	(88,860)
Consumption during the period	396,379	340,039	772,910	632,045
Direct expenses				
Salaries, wages and benefits	283,816	259,923	566,841	507,043
Heat, light and power	146,083	186,882	379,146	423,845
Repairs and maintenance	69,465	53,291	134,824	118,325
Depreciation	111,252	92,351	215,104	185,697
Guest supplies	54,624	45,452	106,661	87,380
Linen, china and glassware	28,538	25,924	55,546	54,574
Communication and other related services	16,056	18,045	34,462	35,518
Banquet and decoration	17,783	16,693	33,800	28,416
Transportation	12,897	12,284	24,464	20,501
Uniforms	6,249	5,982	12,238	12,335
Music and entertainment	3,138	2,966	5,917	6,176
Others	2,267	3,974	5,706	7,692
	<u>1,148,547</u>	<u>1,063,806</u>	<u>2,347,619</u>	<u>2,119,547</u>
17. EARNINGS PER SHARE				
Profit for the period (Rupees '000)	331,414	544,122	869,782	459,223
Weighted average number of ordinary shares (Numbers)	32,524,170	32,524,170	32,524,170	32,524,170
Earnings per share - basic (Rupees)	<u>10.19</u>	<u>16.73</u>	<u>26.74</u>	<u>14.12</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 2015

	Unaudited Six months ended 31 December	
	2015	2014
18. CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	(Rupees'000)	
Profit before taxation	1,079,998	594,798
Adjustments for:		
Depreciation	239,004	206,330
Gain on disposal of property, plant and equipment	(2,256)	(1,730)
Provision for staff retirement benefit - gratuity	27,496	53,166
Provision for compensated leave absences	15,437	10,510
Provision for doubtful debts	12,290	28,212
Return on bank deposits	(21,013)	(10,100)
Interest on short term advance to related party	(25,558)	(33,851)
Finance cost	59,563	55,535
Dividend income	(18,241)	(438)
Gain on remeasurement of investments to fair value - net	(153,134)	(171,955)
	<u>1,213,586</u>	<u>730,477</u>
19. CASH AND CASH EQUIVALENTS		
Cash and bank balances	815,886	232,676
Running finance	(377,286)	-
	<u>438,600</u>	<u>232,676</u>
20. TRANSACTIONS AND BALANCES 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. Balances as of this reporting date with related parties are disclosed in notes 6, 8.1.1, 11.2, 12, 13 and 14 to the condensed interim unconsolidated financial information. Other balances and transactions with related parties are as follows:

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

	Unaudited Six months ended 31 December	
	2015	2014
	(Rupees '000)	
Transactions and balances with subsidiary companies		
Sales	616	734
Services provided	2,683	1,966
Services availed	29,465	24,149
Advance against equity converted into investment	-	49,000
Refund of advance against equity investment	-	6,000
Balances as at the period end:		
- Trade debts	3,203	*2,431
- Long term investments	117,227	*117,227
Transactions and balances with associated undertakings		
Sales	615	1,079
Services provided	878	1,295
Services availed	14,367	13,568
Purchases	31,694	25,830
Purchase of air tickets	21,433	8,090
Franchise fee - income	1,850	920
Franchise and management fee - expense	5,495	4,648
Contribution to defined contribution plan - provident fund	16,237	14,188
Dividend income	17,854	-
Interest income on advance	25,559	33,851
Sale of property, plant and equipment	763	-
Dividend paid	27,902	-
Balances as at the period end:		
- Trade debts	7,427	*7,256
- Long term investment	211,133	*211,133
- Accrued interest on advance	30,281	*4,723
Transactions and balances with other related parties		
Sales	12	94
Services provided	301	232
Services availed	24,196	30,431
Purchases	16,855	19,518
Purchase of property, plant and equipment	205,623	-
Donation	-	20,000
Dividend paid	2	-
Balances as at the period end:		
- Trade debts	11,271	*11,328
- Advance for capital expenditure	626,820	*626,820
Transactions and balances with key management personnel		
Remuneration, allowances, staff retirement benefits and meeting fee	25,777	37,042
Personal guarantees to Banks against the Company's borrowings (Notes 4 and 5)		

*Represents balance as at 30 June 2015.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

21.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments	Note	Carrying amount			Fair value		
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
31 December 2015							
Financial assets measured at fair value							
Other financial assets		1,235,338	-	-	1,235,338	1,235,338	1,235,338
Financial assets not measured at fair value							
Cash and bank balances	21.2	-	815,886	-	815,886	-	-
Other receivables		-	60,393	-	60,393	-	-
Interest accrued		-	31,106	-	31,106	-	-
Trade deposits		-	16,611	-	16,611	-	-
Trade debts - considered good		-	675,475	-	675,475	-	-
Long term deposits		-	19,265	-	19,265	-	-
Advance to related parties		-	500,000	-	500,000	-	-
Advance to employees		-	2,553	-	2,553	-	-
		-	2,121,289	-	2,121,289	-	-
Financial liabilities not measured at fair value							
Long term financing - secured		-	835,716	-	835,716	-	-
Trade and other payables	21.3	-	1,223,371	-	1,223,371	-	-
Markup accrued		-	34,040	-	34,040	-	-
Short term borrowings - secured		-	377,286	-	377,286	-	-
Current portion of long term financing		-	188,264	-	188,264	-	-
		-	2,658,676	-	2,658,676	-	-

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

Note	Carrying amount			Fair value		
	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
On-balance sheet financial instruments						
30 June 2015						
Financial assets measured at fair value						
Other financial assets	1,082,204	-	-	1,082,204	1,082,204	1,082,204
Financial assets not measured at fair value	21.2					
Cash and bank balances	-	765,570	-	765,570	-	-
Other receivables	-	35,518	-	35,518	-	-
Interest accrued	-	5,768	-	5,768	-	-
Trade deposits	-	16,808	-	16,808	-	-
Trade debts - considered good	-	510,208	-	510,208	-	-
Long term deposits	-	14,757	-	14,757	-	-
Advance to related parties	-	500,000	-	500,000	-	-
Advance to employees	-	2,910	-	2,910	-	-
	-	1,851,539	-	1,851,539	-	-
Financial liabilities not measured at fair value	21.2					
Long term financing - secured	-	685,128	-	685,128	-	-
Trade and other payables	21.3	1,082,258	-	1,082,258	-	-
Markup accrued	-	38,253	-	38,253	-	-
Short term borrowings - secured	-	-	-	-	-	-
Current portion of long term financing	-	74,392	-	74,392	-	-
	-	1,880,031	-	1,880,031	-	-

- 21.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.
- 21.3 It excludes advances from customers, federal excise duty, bed tax and sales tax payable (net), banquet/ beverage tax, unearned income and income tax deducted at source.

22. GENERAL

22.1 Non- Adjusting Event after the Balance Sheet

The Board of Directors, in its meeting held on 23 February 2016, has declared an interim cash dividend of Rs. 5/- per share.

22.2 Date of Approval

This unaudited condensed interim unconsolidated financial information was authorised for issue by the Board of Directors of the Company in its meeting held on 23 February 2016.



Chief Executive




Director



TAIPAN



A photograph of a modern building's interior. The ceiling features a large, multi-paned glass skylight that allows natural light to fill the space. A large, ornate chandelier hangs from the ceiling on the left side. The walls are light-colored, and a glass partition is visible in the foreground. The overall atmosphere is bright and airy.

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period
ended 31 December 2015

Condensed Interim Consolidated Balance Sheet As at 31 December 2015

	Unaudited 31 December 2015	Audited 30 June 2015
Note	(Rupees'000)	
SHARE CAPITAL AND RESERVES		
Authorised share capital 50,000,000 (30 June 2015: 50,000,000) ordinary shares of Rs. 10 each	500,000	500,000
Issued, subscribed and paid up share capital	325,242	325,242
Reserves	2,657,928	2,664,194
Unappropriated profit	5,329,738	4,603,638
	8,312,908	7,593,074
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
	23,779,515	23,779,515
NON CURRENT LIABILITIES		
Long term financing - secured	4 835,716	685,128
Liabilities against assets subject to finance lease - secured	5 10,854	19,009
Deferred liabilities	618,610	620,489
	1,465,180	1,324,626
CURRENT LIABILITIES		
Trade and other payables	6 1,867,720	1,649,219
Markup accrued	34,305	38,669
Short term borrowings - secured	7 377,286	-
Current portion of long term financing and liabilities against assets subject to finance lease	203,895	89,338
	2,483,206	1,777,226
	36,040,809	34,474,441
CONTINGENCIES AND COMMITMENTS		
	8	

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.

		Unaudited 31 December 2015	Audited 30 June 2015
	Note	(Rupees'000)	
NON CURRENT ASSETS			
Property, plant and equipment	9	29,487,974	29,022,076
Advance for capital expenditure	10	1,144,938	1,175,457
Investment property		45,000	45,000
Long term investments		1,437,242	1,280,225
Long term deposits and prepayments		24,800	24,027
		32,139,954	31,546,785
CURRENT ASSETS			
Stores, spare parts and loose tools		181,508	150,389
Stock in trade - food and beverages		79,016	90,715
Development property	11	532,901	-
Trade debts		703,076	539,518
Advances	12	655,373	583,668
Trade deposits and prepayments		117,676	66,431
Interest accrued		31,280	5,982
Other receivables		61,476	35,673
Other financial assets	13	31,254	32,179
Non current assets held for sale	14	607,985	607,985
Advance tax - net		64,519	34,720
Cash and bank balances		834,791	780,396
		3,900,855	2,927,656
		36,040,809	34,474,441



Chief Executive



Director

Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the six months period ended 31 December 2015

	Note	Three months ended 31 December		Six months ended 31 December	
		2015	2014	2015	2014
		(Rupees'000)			
Sales and services - net	15	2,442,008	2,093,048	4,546,075	3,677,284
Cost of sales and services	16	(1,176,403)	(1,091,565)	(2,399,568)	(2,169,053)
Gross profit		1,265,605	1,001,483	2,146,507	1,508,231
Administrative expenses		(637,582)	(545,418)	(1,287,850)	(1,123,121)
Finance cost		(33,048)	(29,365)	(61,181)	(56,877)
Other income/ (loss) - net		(145,731)	154,174	241,737	199,596
		449,244	580,874	1,039,213	527,829
Share of gain in equity accounted investments-net		19,386	14,387	45,178	38,705
Profit before taxation		468,630	595,261	1,084,391	566,534
Taxation		(121,069)	(104,475)	(195,670)	(160,043)
Profit for the period		347,561	490,786	888,721	406,491

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.



Chief Executive



Director

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) For the six months period ended 31 December 2015

	Three months ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014
	(Rupees'000)			
Profit for the period	347,561	490,786	888,721	406,491
Other comprehensive income for the period				
Items to be reclassified to profit and loss account in subsequent periods				
Exchange gain on translation of long term investments in equity accounted investees	1,568	3,182	3,135	1,874
Surplus on remeasurement of available for sale securities	(19,036)	19,107	(8,461)	24,178
Deferred tax on other comprehensive income	(470)	(1,114)	(941)	(656)
Other comprehensive income for the period	(17,938)	21,175	(6,267)	25,396
Total comprehensive income for the period	329,623	511,961	882,454	431,887

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.



Chief Executive



Director

Condensed Interim Consolidated Cash Flow Statement (Unaudited) For the six months period ended 31 December 2015

	Note	Six months ended 31 December	
		2015	2014
		(Rupees'000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from operating activities before working capital changes	17	1,220,493	736,212
Working capital changes			
(Increase)/ decrease in current assets			
Stores, spare parts and loose tools		(31,119)	(3,465)
Stock in trade - food and beverages		11,699	(1,839)
Development property		(532,901)	-
Trade debts		(175,848)	(153,834)
Advances		(71,705)	1,599
Trade deposits and prepayments		(51,245)	(27,995)
Other receivables		(25,803)	(6,435)
Increase/ (decrease) in current liabilities			
Trade and other payables		95,046	(137,049)
Cash used in operations		(781,876)	(329,018)
Staff retirement benefit - gratuity paid		(12,314)	(34,613)
Compensated leave absences paid		(16,461)	(12,977)
Income tax paid		(242,448)	(154,363)
Finance cost paid		(78,667)	(78,813)
Net cash generated from operating activities		88,727	126,428
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(644,219)	(590,096)
Advance for capital expenditure		(46,229)	(30,432)
Proceeds from disposal of property, plant and equipment		24,575	2,014
Proceeds from disposal of non current assets held for sale		-	7,000
Purchase of other financial assets		(674)	(189)
Proceeds from maturity of other financial assets		-	255,505
Dividend income		18,241	438
Return on bank deposits and term deposits receipts		22,309	12,075
Long term deposits / prepayments		(773)	(1,549)
Net cash used in investing activities		(626,770)	(345,234)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(33,334)	(116,667)
Dividend paid		(39,166)	-
Proceeds from syndicated term finance		300,000	400,000
Repayment of liabilities against assets subject to finance lease		(12,348)	(8,204)
Net cash from financing activities		215,152	275,129
Net (decrease)/ increase in cash and cash equivalents		(322,891)	56,323
Cash and cash equivalents at beginning of the period		780,396	188,904
Cash and cash equivalents at end of the period	18	457,505	245,227

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.



Chief Executive



Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the six months period ended 31 December 2015

Share capital	Capital reserve		Revenue reserves			Unappropriated profit	Total equity	
	Share premium	Share of associate's capital reserve	General reserve	Exchange translation reserve (net of tax)	Surplus on remeasurement of available for sale securities			
(Rupees '000)								
Balance at 01 July 2014	325,242	269,424	147,221	1,600,000	457,794	143,065	3,632,865	6,575,611
Changes in equity for the period ended 31 December 2014								
Total comprehensive income for the period								
Profit for the period							406,491	406,491
Other comprehensive income for the period	-	-	-	-	1,218	24,178	-	25,396
Total comprehensive income for the period	-	-	-	-	1,218	24,178	406,491	431,887
Balance at 31 December 2014	325,242	269,424	147,221	1,600,000	459,012	167,243	4,039,356	7,007,498
Balance at 01 July 2015	325,242	269,424	147,221	1,600,000	462,184	185,365	4,603,638	7,593,074
Changes in equity for the period ended 31 December 2015								
Total comprehensive income for the period								
Profit for the period							888,721	888,721
Other comprehensive income for the period	-	-	-	-	2,195	(8,461)	-	(6,266)
Total comprehensive income for the period	-	-	-	-	2,195	(8,461)	888,721	882,455
Final cash dividend for the year ended 30 June 2015 declared subsequent to the year end (@ Rs. 5 per share)	-	-	-	-	-	-	(162,621)	(162,621)
Balance at 31 December 2015	325,242	269,424	147,221	1,600,000	464,379	176,904	5,329,738	8,312,908

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.



Chief Executive



Director

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the six months period ended 31 December 2015

1. THE GROUP AND ITS OPERATIONS

Pakistan Services Limited ("the Parent Company") was incorporated on 06 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'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.

- 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%
City Properties (Private) Limited	Real Estate Development	100%
Elite Properties (Private) Limited	Real Estate Development	100%

Pursuant to the directions of the Honourable Islamabad High Court, the members of Bhurban Resorts (Private) Limited and the Pakistan Services Limited have approved the merger of Bhurban Resorts (Private) Limited into Pakistan Services Limited under their special resolution passed at their joint Extra Ordinary General Meeting held on 03 August 2015. Subsequent to the balance sheet date, Honourable High Court of Islamabad approved the merger effective 15 February 2016. Accordingly, accounting adjustments relating to merger have not been incorporated in the consolidated financial information.

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 2015 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 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 the information that 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 2015. Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements for the year ended 30 June 2015, 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 2014.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the six months period ended 31 December 2015

This condensed interim consolidated financial information is unaudited and 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

3.1 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 2015 except that IFRS 13 'Fair Value Measurement' became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' are disclosed in notes 3.3 and 20 to this condensed interim consolidated financial information.

3.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016 and are not expected to have any significant effect on condensed interim Consolidated financial information of the Group:

- Amendments to IAS 38 'Intangible Assets	(effective 01 January 2016)
- Amendments to IAS 16 'Property, Plant and Equipment	(effective 01 January 2016)
- Amendments to IFRS 10 – Consolidated Financial Statements	(effective 01 January 2016)
- Amendments to IAS 28 – Investments in Associates and Joint Ventures	(effective 01 January 2016)
- Amendments to IFRS 11 'Joint Arrangements'	(effective 01 January 2016)
- Amendment to IAS 27 'Separate Financial Statement'	(effective 01 January 2016)
- Amendment to IAS 41 'Agriculture'	(effective 01 January 2016)

Amendments to following standards as annual improvements cycle of 2012-2014, Most of amendments will apply prospectively for annual period beginning on or after 01 January 2016:

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7 'Financial Instruments- Disclosures'
- IAS 19 'Employee Benefits'
- IAS 34 'Interim Financial Reporting'

The above amendments are not likely to have an impact on the Company's financial statements.

3.3 IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial information of the Group, except certain additional disclosures.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

		Unaudited 31 December 2015	Audited 30 June 2015
4. LONG TERM FINANCING - secured	Note	(Rupees'000)	
From banking companies			
Term finance loan		83,333	116,667
Syndicated term loan		937,800	635,128
	4.1	<u>1,021,133</u>	<u>751,795</u>
Current portion		<u>(185,417)</u>	<u>(66,667)</u>
		<u>835,716</u>	<u>685,128</u>
4.1	The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the audited consolidated financial statements of the Parent Company for the year ended 30 June 2015.		
		Unaudited 31 December 2015	Audited 30 June 2015
5. LIABILITIES AGAINST ASSETS		(Rupees'000)	
SUBJECT TO FINANCE LEASE - secured			
Present value of minimum lease payments			
Balance at beginning of the period/ year		41,680	37,279
Additions during the period/ year		-	24,941
Repayments made during the period/ year		<u>(12,348)</u>	<u>(20,540)</u>
		29,332	41,680
Current portion		<u>(18,478)</u>	<u>(22,671)</u>
		<u>10,854</u>	<u>19,009</u>
5.1	The markup rates, facility limits and securities offered for these lease finance arrangements are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 June 2015.		

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

		Unaudited 31 December 2015	Audited 30 June 2015
		(Rupees'000)	
6. TRADE AND OTHER PAYABLES	Note		
Creditors		399,607	405,876
Accrued liabilities		533,224	509,974
Advances from customers		269,480	236,846
Shop deposits		53,395	54,339
Due to related parties - unsecured		12,581	7,340
Sales tax - net		153,921	116,422
Bed tax		61,492	60,359
Un-earned income		123,120	129,049
Unclaimed dividend	6.1	126,989	3,534
Retention money		86,529	82,577
Others		47,382	42,903
		<u>1,867,720</u>	<u>1,649,219</u>

6.1 It includes an amount of Rs. 2.933 million of related parties.

7. SHORT TERM BORROWINGS - secured

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited consolidated financial statements of the Parent Company for the year ended 30 June 2015.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Contingencies are the same as disclosed in the audited consolidated annual financial statements of the Group for the year ended 30 June 2015, except for the guarantees and commitments as disclosed below:

	Unaudited 31 December 2015	Audited 30 June 2015
		(Rupees'000)
8.1.1 Guarantees - secured	<u>188,806</u>	<u>188,174</u>
8.2 Commitments		
Commitments for capital expenditure	<u>648,557</u>	<u>819,189</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

9. PROPERTY, PLANT AND EQUIPMENT

	Owned assets	Leased assets	Capital work in progress	Total
Unaudited 31 December 2015 - (Rupees in '000)				
Carrying value at beginning of the period	27,924,553	63,230	1,034,293	29,022,076
Additions during the period	432,316	-	304,448	736,764
Transfer from capital work in progress	67,384	-	(67,384)	-
Disposal during the period	(22,319)	-	-	(22,319)
Depreciation charge for the period	(243,854)	(4,693)	-	(248,547)
Carrying value at end of the period	28,158,080	58,537	1,271,357	29,487,974

	Audited 30 June 2015 - (Rupees in '000)			
Carrying value at beginning of the year	23,757,380	46,911	643,764	24,448,055
Additions during the year	226,678	24,941	842,756	1,094,375
Transfer from capital work in progress	452,227	-	(452,227)	-
Surplus on revaluation	3,925,950	-	-	3,925,950
Disposal during the year	(8,843)	-	-	(8,843)
Depreciation charge for the year	(428,839)	-	(8,622)	(437,461)
Carrying value at end of the year	27,924,553	63,230	1,034,293	29,022,076

		Unaudited 31 December 2015	Audited 30 June 2015
10. ADVANCE FOR CAPITAL EXPENDITURE	Note	(Rupees'000)	
Purchase of land		666,820	666,820
Purchase of apartment		40,509	40,509
Malir Delta Land	10.1	381,656	381,656
Advance for purchase of fixed assets		55,953	86,472
		<u>1,144,938</u>	<u>1,175,457</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

10.1 This represents amount paid for purchase of 113.34 acres of land and fee for regularization of land as per the value assessed by the Land Regularization Committee established by the Government of Sindh under the Sindh Ordinance, 2001. The Honourable High Court of Sindh at Karachi dismissed the Constitution Petition filed by the Parent Company challenging the impugned order of the Accountability Court Karachi declaring that any transfer of title or creation of any third party interest in the said land was declared void. The Parent Company being aggrieved and dissatisfied with this impugned judgment for dismissal of its Constitution Petition has filed a Civil petition for leave to Appeal (CPLA) in the Honourable Supreme Court of Pakistan which is pending. Though the management is hopeful for favourable outcome of this matter, in the eventuality of an adverse outcome, the management, on the basis of legal opinion, believes that the Parent Company will seek recovery of purchase consideration and land regularization fee paid to the seller and Land Regularization Department respectively.

11. DEVELOPMENT PROPERTY

During the period the Group acquired a development property of Rs. 532.901 million (30 June 2015: Nil).

12. ADVANCES

This mainly includes short term advance of Rs. 500 million (30 June 2015: Rs. 500 million) extended to an associated company M/s Hashwani Hotels Limited carrying markup rate of 1- year KIBOR plus 3% (30 June 2015: 1- year KIBOR plus 3%) per annum and secured against ranking charge on Karachi Marriott Hotel.

Unaudited 31 December 2015	Audited 30 June 2015
(Rupees'000)	

13. OTHER FINANCIAL ASSETS

Investment in :

- Shares of listed companies
- Certificate of Musharika

9,381	10,979
21,873	21,200
<u>31,254</u>	<u>32,179</u>

14. NON CURRENT ASSETS HELD FOR SALE

This represents 98,000 shares in Hashoo Group Limited - British Virgin Island. The Company has agreed to sell these shares for a total consideration of USD 5.99 million. The sale is expected to be finalized before the year end.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

15. SALES AND SERVICES - net	Unaudited		Unaudited	
	Three months ended		Six months ended	
	31 December		31 December	
	2015	2014	2015	2014
	(Rupees'000)			
Rooms	1,369,224	1,167,694	2,523,509	1,972,191
Food and beverages	1,328,060	1,135,218	2,495,809	2,061,515
Other related services	135,981	129,089	261,166	243,657
Vehicles rental	38,792	33,475	64,762	54,415
Shop license fees	8,354	6,098	16,413	13,083
	<u>2,880,411</u>	<u>2,471,574</u>	<u>5,361,659</u>	<u>4,344,861</u>
Discounts and commissions	(36,753)	(30,599)	(71,183)	(62,159)
Sales tax	(401,650)	(347,927)	(744,401)	(605,418)
	<u>2,442,008</u>	<u>2,093,048</u>	<u>4,546,075</u>	<u>3,677,284</u>
16. COST OF SALES AND SERVICES				
Food and beverages				
Opening balance	97,720	110,356	90,715	87,021
Purchases during the period	377,325	318,126	760,595	633,150
Closing balance	(79,016)	(88,860)	(79,016)	(88,860)
Consumption during the period	<u>396,029</u>	<u>339,622</u>	<u>772,294</u>	<u>631,311</u>
Direct expenses				
Salaries, wages and benefits	295,747	272,039	590,510	528,464
Heat, light and power	146,083	186,882	379,146	423,845
Repairs and maintenance	69,917	53,940	135,718	119,370
Depreciation	115,618	96,529	223,691	193,943
Guest supplies	54,624	45,452	106,661	87,380
Linen, china and glassware	28,538	25,924	55,546	54,574
Communication and other related services	16,056	18,045	34,462	35,518
Banquet and decoration	17,783	16,693	33,800	28,416
Transportation	6,048	6,309	10,443	9,177
Uniforms	6,249	5,982	12,238	12,335
Music and entertainment	3,138	2,966	5,917	6,176
Insurance	1,406	1,295	2,558	2,596
Vehicle operating expense	8,795	10,360	17,308	19,015
Vehicle rental and registration charges	7,010	5,666	12,183	9,065
Others	3,362	3,861	7,093	7,868
	<u>1,176,403</u>	<u>1,091,565</u>	<u>2,399,568</u>	<u>2,169,053</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

	Unaudited	
	Six months ended 31 December	
	2015	2014
17. CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	(Rupees'000)	
Profit before taxation	1,084,391	566,534
Adjustments for:		
Depreciation	248,547	215,491
Gain on disposal of property, plant and equipment	(2,256)	(1,730)
Provision for staff retirement benefit - gratuity	27,496	53,166
Provision for compensated leave absences	15,437	10,510
Provision for doubtful debts	12,290	28,212
Return on bank deposits/ Treasury bills/ Certificate of Musharika	(22,049)	(11,840)
Interest on short term advance to related party	(25,558)	(33,851)
Share of profit in equity accounted investments	(45,178)	(38,705)
Finance cost	61,181	56,877
Dividend income	(387)	(438)
Loss on remeasurement of investments to fair value - net	1,599	632
Reversal of impairment on investment in associated companies	(135,020)	(108,646)
	<u>1,220,493</u>	<u>736,212</u>
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	834,791	245,227
Running finance	(377,286)	-
	<u>457,505</u>	<u>245,227</u>
19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		

The related parties comprise associated companies, directors as well as their close family members, companies with common directorship, executives, key management personnel, major shareholders and Provident Fund. Balances as of this reporting date with related parties are disclosed in note 6, 12 and 14 to the condensed interim consolidated financial information. Other balances and transactions with related parties are as follows :

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

	Unaudited	
	Six months ended 31 December	
	2015	2014
	(Rupees'000)	
Transactions and balances with associated undertakings		
Sales	615	1,079
Services provided	7,711	5,476
Services availed	16,162	13,765
Purchases	32,563	26,490
Purchase of air tickets	21,433	8,090
Franchise fee - income	1,850	920
Franchise and management fee - expense	5,495	4,648
Contribution to the defined contribution plan - provident fund	16,237	14,188
Dividend income	17,854	-
Interest income on advance	25,559	33,851
Sale of property, plant and equipment	763	-
Dividend paid	27,902	-
Balances as at the period end:		
- Trade debts	18,472	*17,033
- Long term investments	1,437,242	*1,280,225
- Accrued interest on advance	30,281	*4,723
Transactions and balances with other related parties		
Sales	12	94
Services provided	301	232
Services availed	24,196	30,437
Purchases	16,855	19,518
Purchase of property, plant and equipment	205,623	-
Donation	-	20,000
Dividend paid	2	-
Balances as at the period end:		
- Trade debts	11,308	*11,385
- Advance for capital expenditure	626,820	*626,820
Transactions and balances with key management personnel		
Remuneration, allowances, staff retirement benefits and meeting fee	25,777	37,042
Personal guarantees to Banks against the group's borrowings (Note 4 & 5)		

*Represents balance as at 30 June 2015.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Parent Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Group is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service,

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the six months period ended 31 December 2015

or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

20.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	Carrying amount			Fair value		
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
On-balance sheet financial instruments							
31 December 2015							
Financial assets measured at fair value							
Other financial assets		9,381	-	-	9,381	9,381	9,381
Financial assets not measured at fair value							
Cash and bank balances	20.2	-	834,791	-	834,791	-	-
Other receivables		-	61,476	-	61,476	-	-
Other financial assets		-	21,873	-	21,873	-	-
Interest accrued		-	31,280	-	31,280	-	-
Trade deposits		-	21,523	-	21,523	-	-
Trade debts - considered good		-	703,076	-	703,076	-	-
Long term deposits		-	21,934	-	21,934	-	-
Advance to related parties		-	500,000	-	500,000	-	-
Advance to employees		-	5,713	-	5,713	-	-
		-	2,201,666	-	2,201,666	-	-
Financial liabilities not measured at fair value							
Long term financing - secured	20.2	-	835,716	-	835,716	-	-
Trade and other payables	20.3	-	1,251,295	-	1,251,295	-	-
Markup accrued		-	34,305	-	34,305	-	-
Short term borrowings - secured		-	377,286	-	377,286	-	-
Current portion of long term financing		-	203,895	-	203,895	-	-
		-	2,702,497	-	2,702,497	-	-

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the six months period ended 31 December 2015

On-balance sheet financial instruments	Note	Carrying amount			Fair value		
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
30 June 2015							
Financial assets measured at fair value							
Other financial assets		10,979	-	-	10,979	10,979	10,979
Financial assets not measured at fair value							
Cash and bank balances	20.2	-	780,396	-	780,396	-	-
Other receivables		-	35,673	-	35,673	-	-
Other financial assets		-	21,200	-	21,200	-	-
Interest accrued		-	5,982	-	5,982	-	-
Trade deposits		-	19,208	-	19,208	-	-
Trade debts - considered good		-	539,518	-	539,518	-	-
Long term deposits		-	19,920	-	19,920	-	-
Advance to related parties		-	500,000	-	500,000	-	-
Advance to employees		-	5,797	-	5,797	-	-
		-	1,927,694	-	1,927,694	-	-
Financial liabilities not measured at fair value							
Long term financing - secured	20.2	-	685,128	-	685,128	-	-
Trade and other payables	20.3	-	1,097,509	-	1,097,509	-	-
Markup accrued		-	38,669	-	38,669	-	-
Short term borrowings - secured		-	-	-	-	-	-
Current portion of long term financing		-	89,338	-	89,338	-	-
		-	1,910,644	-	1,910,644	-	-

20.2 The Group has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

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

21. GENERAL

21.1 Non- Adjusting Event after the Balance Sheet

The Board of Directors of the Parent Company, in its meeting held on 23 February 2016, has declared an interim cash dividend of Rs. 5/- per share.

21.2 Date of Approval

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 23 February 2016.



Chief Executive



Director



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