CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

JUNE 30, 2018

VISION

We at Worldcall are committed to achieving dynamic growth and service excellence by being at the cutting edge of technological innovation. We strive to consistently meet and surpass customers, employees and stake-holders' expectations by offering state-of-the-art telecom solutions with national & international footprints. We feel pride in making efforts to position Worldcall and Pakistan in the forefront of international arena.

MISSION STATEMENT

In the telecom market of Pakistan, Worldcall to have an over-whelming impact on the basis of following benchmarks:

- Create new standards of product offering in basic and value added telephony by being more cost effective, easily accessible and dependable. Thus ensuring real value for money to all segments of market.
- Be a leader within indigenous operators in terms of market share, gross revenues and ARPU within five years and maintain the same positioning thereafter.
- Achieve utmost customer satisfaction by setting up high standards of technical quality and service delivery.

Ensuring the most profitable and sustainable patterns of ROI (Return on Investment) for the stake-holders.

Contents

COMPANY INFORMATION

Chairman	Dr. Syed Salman Ali Shah
Chief Executive Officer	Mr. Babar Ali Syed
Board of Directors	Dr. Syed Salman Ali Shah (Chairman) Mr. Babar Ali Syed Mr. Muhammad Murtaza Raza Mr. Muhammad Azhar Saeed Mr. Faisal Ahmed Mr. Mansoor Ali Mrs. Hina Babar
Chief Financial Officer	Mr. Muhammad Azhar Saeed, FCA
Executive Committee	Dr. Syed Salman Ali Shah (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Murtaza Raza (Member) Mr. Muhammad Azhar Saeed (Member)
Audit Committee	Mr. Faisal Ahmed (Chairman) Mr. Muhammad Murtaza Raza (Member) Mr. Mansoor Ali (Member) Mrs. Hina Babar (Member) Mr. Anser Iqbal Chauhan (Secretary)
Human Resource & Remuneration Committee	Mr. Mansoor Ali (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Murtaza Raza (Member) Mr. Muhammad Azhar Saeed (Member) Mr. Faisal Ahmed (Member)
Chief Internal Auditor	Mr. Anser Iqbal Chauhan
Company Secretary	Mr. Mueen Tauqir , ACA
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisers	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant

Bankers	Allied Bank Limited Askari Bank Limited Bank Al Habib Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited IGI Investment Bank Limited JS Bank Limited Bank Islamic Pakistan Limited MCB Bank Limited National Bank of Pakistan NIB Bank Limited Pak Oman Investment Co. Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited Tameer Microfinance Bank Limited The Bank of Punjab United Bank Limited Waseela Microfinance Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400. Tel: (021) 111-000-322
Registered Office/Head Office	Plot No. 1566/124, Main Walton Road, Lahore, Pakistan Tel: (+92 42) 36671191-94 Fax: (+92 42) 36671197
Webpage	www.worldcall.com.pk www.worldcall.net.pk

DIRECTORS' REVIEW

The Board of Directors of Worldcall Telecom Limited ("Wor ldcall" or the "Company") is pleased to present its review report along with condensed interim financial information for the half year ended June 30, 2018.

Industry Overview

Information Technology sector has contributed almost $2.8 billion to the country's export and if there remains government support, exports in this sector could be enhanced to $5 billion in next three years. Recent initiatives are being taken to promote IT in banking (e-banking), medicine (telemedicine), and manufacturing (e-designing) sectors as a result of which e-commerce penetration has doubled. Complemented with internet penetration, e-commerce is the future mode of conducting business.

Financial Overview

Summary of financial results for the half year ended June 30, 2018 are as follows:

Particulars	June 30, 2018	June 30, 2017
	Rs. in million	
Revenue – net	2,291	1,091
Direct Cost (excluding depreciation and Amortization)	(1,314)	(912)
Other Income	695	8,098
EBITDA	1,292	7,977
Depreciation and Amortization	(520)	(539)
Finance Cost	(115)	(244)
Profit/(Loss) after tax	640	6,874

During the period under review, the Company closed its financial results reporting Rs 640 million as profit after tax. The company experienced an increase of Rs 1,200 million (110%) in its revenue as compared to first 6 months of last year indicating bright future prospects. Major contributors to the topline were the LDI (Rs 1,046 million) and the Broadband businesses (Rs. 1,205 million). The increase in direct cost of 44% occurred in line with the increase in revenue reported whilst depreciation and amortization expense reduced during the period.

The Company's turnaround has started since January 2018 and it has posted operational profit covering up losses successively for the second quarter.

The Directors anticipate this trend to continue for the remaining year as well.

Future Outlook

Company has undergone a major transformation with the exit of its previous sponsors. Cost restructuring has been effected because of which Operating Costs have been reduced by Rs. 45 million per month and Finance Cost has been curtailed by Rs. 35 million per month. Critical deliverables left unaddressed over the last two years are being addressed through funds made available as part of the transaction and Management is pleased to report that results are showing a corresponding improvement in absolute terms. Term Finance Certificate (TFCs) restructuring has been effected under which repayment tenor has been extended till September 2026 and markup rate has been reduced by 0.6%. Other liabilities previously classified under 'current liabilities' have also been restructured and thus are payable after 12 months' time.

The targets have been broken down into quantitative objectives with emphasis on productive utilization of dormant assets, enhanced quality service while monetizing associated offerings. The Company is ready to sweat the assets and with the stability achieved, is targeting aggressive growth in the upcoming quarters. Till date, for the Broadband segment, 700,000 subscribers home pass has been achieved which company anticipates would reach 2 million by the end of December 2o18. The Company has contract with 2 leading global vendors for supply of Digital boxes to materialize the expansion project. Fiber to the Home (FTTH) launch has been planned in the coming quarters which would add to the revenue of the Company. For the LDI business the Company is currently in negotiations to acquire state of the art Switch whereas SMS Monetization project is in the pipeline and is near closure. Cashing in on the new developments in ICT technologies, the company has started to set its footprints in the e-commerce and other business related IT applications as well. To quote some of such campaigns, it has recently got registration with Pakistan Software Export Board as Call Centre to provide services domestically and internationally. International Call Centre service has been kicked off and the revenue has started to flow in from such services. Other projects include Meat on Wheels and, WOORIDE

The financial burden is also easing out. The liabilities payable to Oman Telecommunications Company SAOG and National Bank of Oman are no longer an obligation and therefore the funds available with the Company can be directed for operation betterment more steadily.

Company's staff and customers

We whole heartedly put on record here our appreciation and gratitude to our all staff members for their efforts and hard work especially in recent times of stress and pressure. We further express gratitude towards our loyal customer for their continued support and trust in our services.

For and on behalf of the Board of Directors

Lahore, Pakistan
August 31, 2018

Babar Ali Syed
Chief Executive Officer

مستقبل کا نقطہء نظر

کمپنی کے پچھلے سپانسرز کی رخصتی کے بعد کمپنی نے ایک اہم تبدیلی کی ہے۔ لاگت کی بحالی کو متاثر کیا گیا ہے جس کی وجہ سے آپریٹنگ اخراجات میں ماہانہ 45 ملین اور فنانس کی لاگت میں 35 ملین کی ٹھوس کمی کی گئی ہے۔ گزشتہ دو سال سے پسِ پشت غیر معمولی نتائج کو ٹرانزکشن کے حصہ کے طور پر دستیاب فنڈ سے حل کیا گیا ہے۔ گزشتہ دو سال سے پسِ پشت غیر معمولی نتائج کو ٹرانزکشن کے حصہ کے طور پر دستیاب فنڈ سے حل کیا گیا ہے۔ مینجمنٹ کو رپورٹ کرنے پر خوشی ہے کہ نتائج مستقبل میں مثبت رجحانات کے ساتھ ساتھ مطلق شرائط میں بہتری کی طرف گامزن ہیں۔ ٹرم فنانس سرٹیفکیٹ کی بحالی کو عملی جامہ پہنا دیا گیا ہے جس کے تحت ستمبر 2026 تک ادائیگی کی مدت بڑھا دی گئی ہے۔ اور مارک اپ کی شرح 0.6% کم کر دی گئی ہے۔ دیگر دوسری ذمہ داریوں کی مدتِ ادائیگی بھی بڑھائی گئی ہے جو کہ اب 12 ماہ کے بعد کی جائے گئی۔

کمپنی اپنے اثاثوں کے مکمل استعمال کے لئے پُرعزم ہے اور آنے والی چوتھائیوں میں جارحانہ ترقی کو نشانہ بنائے ہوئے ہے۔ ابھی تک براڈ بینڈ سیگمنٹ کے لئے سات لاکھ صارفین تک رسائی مکمل کر لی گئی ہے۔ جو کہ توقع ہے کہ سال 2018 کے اختتام تک 2 ملین تک پہنچ جائے گی۔ فائبر ٹو دی ہوم سروس کا آغاز آنے والی سہ ماہیوں میں کر دیا جائے گا۔ جو کہ آمدنی میں اضافے کا باعث بنے گا۔ LDI بزنس کے لئے کمپنی ایک جدید سوئچ کے حصول کے لئے بات چیت کے سلسلے میں ہے۔ جبکہ اس کے علاوہ SMS مونیٹائزیشن کا پروجیکٹ زیرِ غور ہے جسے عملی جامہ پہنانے کیلئے معاہدہ نزدِ قلم بند ہے۔ اُبھرتی ہوئی ICT کی دنیا میں کمپنی نے قدم رکھ دیا ہے۔ ایسی مہموں میں سے چند کو اقتباس کرتے ہوئے اس نے حال ہی میں پاکستان سوفٹ ویئر ایکسپورٹ بورڈ کے ساتھ کال سنٹر کے طور پر رجسٹریشن حاصل کی ہے تاکہ ملک بھر میں اور بین الاقوامی سطح پر خدمات مہیا کی جا سکیں۔ دیگر منصوبوں میں میٹ آن وہیل، اوورائیڈ اور شامل ہیں۔

مالی بوجھ میں بھی آسانی ہوگئی ہے۔ اومان ٹیلی کمیونیکشن کمپنی SAOG اور نیشنل بینک آف عمان کی طرف ذمہ دار ذمہ داریاں اب کوئی ذمہ داری نہیں رہیں اور اس وجہ سے کمپنی کے ساتھ دستیاب فنڈز اب آپریشن کو بہتر بنانے کے لئے مزید ثابت قدمی کے ساتھ استعمال کئے جا سکتے ہیں۔ اس کے علاوہ حال ہی میں کمپنی کے ٹرم فنانس سرٹیفکیٹ ہولڈرز سہولت کو دوبارہ بحال کرنے پر متفق ہیں جس سے کیش فلو میں زیادہ اعتماد شامل ہوگا

کمپنی کے ملازمین اور صارفین

ہم دل کی اتھا گہرائیوں سے اپنے تمام ملازمین کی کوششوں اور سخت محنت کے معترف ہیں۔ جنھوں نے کشیدگی اور دباؤ کے حالیہ دنوں میں کمپنی کا ساتھ دیا ہے۔ ہم اپنے قابلِ قدر صارفین کو سروس کی فراہمی کے لئے پُرعزم ہیں اور ہماری سروسز پر ان کے مسلسل اعتماد کے لئے شکر گزار ہیں۔

بحکم بورڈ آف ڈائریکٹرز

بابر علی سید

چیف ایگزیکٹو آفیسر

لاہور

31 اگست 2018

ڈائریکٹرز کا تجزیہ

ورلڈ کال ٹیلی کام لمیٹڈ (''ورلڈ کال'' یا ''کمپنی'') کے ڈائریکٹرز 30 جون 2018ء کو اختتام پذیر غیر آڈٹڈ سہ ماہی میں معلومات کا مختصر جائزہ پیش کرتے ہیں۔

صنعت کا جائزہ

انفارمیشن ٹیکنالوجی سیکٹر میں ملک کی برآمد میں تقریبا 2.8 بلین کی شراکت کی ہے اور اگر حکومت کی فعال پالیسیاں برقرار رہیں تو اس شعبے میں برآمد اگلے تین سالوں میں پانچ ارب ڈالر تک بڑھائی جاسکتی ہیں۔ای۔ بینکنگ، میڈیسن اور مینوفیکچرنگ کے شعبوں میں آئی ٹی کو فروغ دینے کے لئے اقدامات کئے جارہے ہیں جس کے نتیجے میں ای کامرس کی رسائی دُگنی ہوگئی ہے۔انٹرنیٹ کی رسائی کے ساتھ مل کر ای کامرس کاروبار کرنے کا مستقبل ہے۔

مالیاتی جائزہ

30 جون 2018 کو ختم ہونے والے سہ ماہی کے مالیاتی نتائج کا خلاصہ مندرجہ ذیل ہیں:

Particulars	June 30, 2018	June 30, 2017
	Rs. in million	
Revenue – net	2,291	1,091
Direct Cost (excluding depreciation and Amortization)	(1,314)	(912)
Other Income	695	8,098
EBITDA	1,292	7,977
Depreciation and Amortization	(520)	(539)
Finance Cost	(115)	(244)
Profit/(Loss) after tax	640	6,874

مدت کے دوران، کمپنی نے ٹیکس کے بعد منافع کے طور پر 640 ملین روپے کے اپنے مالیاتی نتائج کا اعلان کیا۔کمپنی نے پچھلے سال کے مقابلے میں پہلے چھ ماہ میں 1,200 ملین روپے (110 فیصد) کی آمدنی میں اضافہ ظاہر کیا ہے جو کہ کافی خوش آئند ہے۔آمدن میں بڑے شراکت داروں میں LDI (1,046 ملین روپے) اور براڈ بینڈ (1,205 ملین روپے) شامل ہیں۔ Direct Cost میں 44% کا اضافہ بڑھتی ہوئی آمدن کے ساتھ ہے جبکہ Depreciation & Amortization کے اخراجات میں کمی ہوئی ہے۔

جنوری 2018 سے کمپنی بہتری کی طرف گامزن ہے اور اس نے موازنہ مدت کے مقابلے میں مسلسل دوسرے سہ ماہی میں خسارہ پورا کرلیا ہے۔ ڈائریکٹرامید کرتے ہیں کہ یہ رجحان بقیہ سال بھی جاری رہے گا۔

INDEPENDENT AUDITOR'S REVIEW REPORT TOTHE MEMBERSOF WORLDCALL TELECOM LIMITED ON REVIEW OFINTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **WorldCall Telecom Limited** as at June 30, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures included in the condensed interim statement of profit or loss for the quarters ended June 30, 2017 and June 30, 2018 have not been reviewed, as we are required to review only the cumulative figures for half year ended June 30, 2018.

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 statements 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 2.7 to the condensed interim financial statements (un-audited), which indicates that the Company has accumulated losses of Rs. 12,878.43 million and its current liabilities exceeded its current assets by Rs. 7,226.52 million. These conditions, along with others set forth in note 11 to the condensed interim financial statements (un-audited), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Horwath Hussain Chaudhury & Co.

HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants
(Engagement Partner: Amin Ali)

Lahore, Pakistan
August 31, 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018

	Note	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)	December 31, 2016 (Audited)
		---(Rupees in '000)---		
			(Restated)	(Restated)
SHARE CAPITAL AND RESERVES				
Authorized share capital:				
1,500,000,000 (December 31, 2017: 1,500,000,000) ordinary shares of Rs. 10 each		15,000,000	15,000,000	15,000,000
500,000 (December 31, 2017: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs. 6,000,000,000)		6,000,000	6,000,000	6,000,000
Ordinary share capital	5	10,090,855	9,950,546	8,605,716
Preference share capital	6	3,049,596	3,150,236	3,537,700
Dividend on preference shares	7	1,068,032	900,687	743,255
Capital reserves	8	608,792	285,911	1,053,545
Accumulated loss		(12,878,430)	(13,027,326)	(18,755,400)
Surplus on revaluation of fixed assets		575,314	605,249	697,849
		2,514,159	1,865,303	(4,117,335)
NON-CURRENT LIABILITIES				
Term finance certificates	9	1,633,253	-	-
Long term financing		30,103	43,996	42,887
Sponsors' loan	10	998,392	675,893	-
Retirement benefits		273,266	253,213	274,930
Long term deposit		88,780	105,000	-
		3,023,794	1,078,102	317,817
CURRENT LIABILITIES				
Trade and other payables		7,164,734	7,554,411	11,947,640
License fee payable		1,021,500	1,021,500	1,021,500
Payable against long term investment	14	44,341	-	-
Short term borrowings		566,438	563,936	960,677
Accrued mark up		88,764	540,671	384,092
Current portion of non-current liabilities		299,198	1,605,672	5,247,019
Unclaimed dividends		1,807	1,807	1,807
Provision for taxation - net		268,666	177,015	-
		9,455,448	11,465,012	19,562,735
Contingencies and Commitments	11	-	-	-
TOTAL EQUITY AND LIABILITIES		14,993,401	14,408,417	15,763,217
NON-CURRENT ASSETS				
Property, plant and equipment	12	7,291,691	6,924,723	8,076,299
Intangible assets	13	2,501,670	2,697,636	3,088,720
Investment properties		45,800	45,800	38,520
Long term investment	14	50,000	-	-
Long term trade receivable		59,514	65,240	77,061
Deferred taxation		2,767,142	2,661,372	2,531,937
Long term loans		2,430	2,890	3,211
Long term deposits		46,227	45,511	32,641
		12,764,474	12,443,172	13,848,389
CURRENT ASSETS				
Stores and spares		78,010	76,291	91,373
Stock-in-trade		57,873	67,258	67,290
Trade debts		1,174,913	1,075,745	761,262
Loans and advances		214,533	171,711	141,389
Deposits and prepayments		471,917	443,801	431,819
Short term investments		57,037	58,961	150,799
Other receivables		62,385	49,258	119,486
Income tax recoverable - net		-	-	31,440
Cash and bank balances		112,259	22,220	119,970
		2,228,927	1,965,245	1,914,828
TOTAL ASSETS		14,993,401	14,408,417	15,763,217

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements (un-audited).

Chief Executive Officer **Director** **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2018

	Note	Half year ended June 30, 2018	Half year ended June 30, 2017	Quarter ended June 30, 2018	Quarter ended June 30, 2017
		(Rupees in '000)			
Revenue - net	15	2,290,709	1,090,914	1,581,190	564,180
Direct cost excluding depreciation and amortization		(1,313,780)	(912,311)	(807,407)	(454,210)
Operating cost		(379,675)	(300,006)	(192,763)	(189,430)
Other income - net	16	694,836	8,098,250	263,014	7,978,212
Profit before Interest, Taxation, Depreciation and Amortization		1,292,090	7,976,847	844,034	7,898,752
Depreciation and amortization		(519,726)	(539,193)	(260,266)	(254,228)
Finance cost		(114,825)	(244,366)	(64,265)	(191,976)
Profit before Taxation		657,539	7,193,288	519,503	7,452,548
Taxation	17	(17,709)	(319,445)	5,756	(308,879)
Net Profit for the Period		639,830	6,873,843	525,259	7,143,669
Earnings per Share - Basic (Rupees)		0.09	7.85	0.20	8.23
Earnings per Share - Diluted (Rupees)		0.09	7.85	0.12	8.23

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements (un-audited).

Chief Executive Officer | **Director** | **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2018

	Half year ended June 30,		Quarter ended June 30,	
	2018	2017	2018	2017
	(Rupees in '000)			
Net Profit for the Period	639,830	6,873,843	525,259	7,143,669
Other comprehensive income:				
Items that will not be reclassified to profit or loss:	-	-	-	-
Item that may be subsequently reclassified to profit or loss:				
- Changes in fair value of available-for-sale financial assets	(1,924)	(53,583)	(9,569)	(27,124)
Other Comprehensive Loss - net of tax	(1,924)	(53,583)	(9,569)	(27,124)
Total Comprehensive Income for the Period - net of tax	637,906	6,820,260	515,690	7,116,545

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements (un-audited).

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves					Revenue Reserve	Total
				Share Premium	Discount on issue of Shares	Fair Value Reserve	Exchange Translation Reserve	Surplus on Revaluation of Fixed Assets	Accumulated loss	
	(Rupees in '000)									
Balance as at December 31, 2016 as previously reported	8,605,716	3,537,700	743,255	837,335	-	85,910	130,300	-	(18,755,400)	(4,815,184)
Effect of restatement	-	-	-	-	-	-	-	697,849	-	697,849
Balance as at December 31, 2016 as restated	8,605,716	3,537,700	743,255	837,335	-	85,910	130,300	697,849	(18,755,400)	(4,117,335)
Net profit for the period	-	-	-	-	-	-	-	-	6,873,843	6,873,843
Other comprehensive income for the period - net of tax	-	-	-	-	-	(53,583)	-	-	-	(53,583)
Total comprehensive income / (loss) for the period - net of tax	-	-	-	-	-	(53,583)	-	-	6,873,843	6,820,260
Incremental depreciation for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	(46,300)	46,300	-
Exchange translation reserve	-	-	-	-	-	-	7,000	-	(7,000)	-
Dividend on preference shares for the period	-	-	120,776	-	-	-	-	-	(120,776)	-
Total transactions with owners, recognized directly in equity	-	-	120,776	-	-	-	7,000	-	(127,776)	-
Balance as at June 30, 2017 as restated	8,605,716	3,537,700	864,031	837,335	-	32,327	137,300	651,549	(11,963,033)	2,702,925
Balance as at June 30, 2017 as previously reported	8,605,716	3,537,700	-	837,335	-	32,327	137,300	-	(11,963,033)	1,187,345
Effect of restatement	-	-	864,031	-	-	-	-	651,549	-	1,515,580
Balance as at June 30, 2017 as restated	8,605,716	3,537,700	864,031	837,335	-	32,327	137,300	651,549	(11,963,033)	2,702,925
Net loss for the period	-	-	-	-	-	-	-	-	(772,083)	(772,083)
Other comprehensive loss for the period - net of tax	-	-	-	-	-	(38,255)	-	-	(27,284)	(65,539)
Total comprehensive (loss) / income for the period - net of tax	-	-	-	-	-	(38,255)	-	-	(799,367)	(837,622)
Incremental depreciation for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	(46,300)	46,300	-
Exchange translation reserve	-	-	-	-	-	-	173,302	-	(173,302)	-
Conversion of preference shares and dividend thereon	2,605,442	(387,464)	(101,268)	(837,335)	-	-	(18,763)	-	-	1,260,612
Discount on issuance of ordinary shares	(1,260,612)	-	-	-	-	-	-	-	-	(1,260,612)
Dividend on preference shares for the period	-	-	137,924	-	-	-	-	-	(137,924)	-
Total transactions with owners, recognized directly in equity	1,344,830	(387,464)	36,656	(837,335)	-	-	154,539		(311,226)	-
Balance as at December 31, 2017 restated	9,950,546	3,150,236	900,687	-	-	(5,928)	291,839	605,249	(13,027,326)	1,865,303
Balance as at December 31, 2017 as previously reported	11,211,158	3,150,236	900,687	-	(1,260,612)	(5,928)	291,839	-	(13,027,326)	1,260,054
Effect of restatement	(1,260,612)	-	-	-	1,260,612	-	-	605,249	-	605,249
Balance as at December 31, 2017 as restated	9,950,546	3,150,236	900,687	-	-	(5,928)	291,839	605,249	(13,027,326)	1,865,303
Net profit for the period	-	-	-	-	-	-	-	-	639,830	639,830
Other comprehensive loss for the period - net of tax	-	-	-	-	-	(1,924)	-	-	-	(1,924)
Total comprehensive (loss) / income for the period - net of tax	-	-	-	-	-	(1,924)	-	-	639,830	637,906
Incremental depreciation for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	(40,885)	40,885	-
Effect of change in tax rates	-	-	-	-	-	-	-	10,950	-	10,950
Exchange translation reserve	-	-	-	-	-	-	334,808	-	(334,808)	-
Conversion of preference shares and dividend thereon	808,830	(100,640)	(29,666)	-	-	-	(10,003)	-	-	668,521
Discount on issuance of ordinary shares	(668,521)	-	-	-	-	-	-	-	-	(668,521)
Dividend on preference shares for the period	-	-	197,011	-	-	-	-	-	(197,011)	-
Total transactions with owners, recognized directly in equity	140,309	(100,640)	167,345	-	-	-	324,805	-	(531,819)	-
Balance as at June 30, 2018	10,090,855	3,049,596	1,068,032	-	-	(7,852)	616,644	575,314	(12,878,430)	2,514,159

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements (un-audited).

Chief Executive Officer | **Director** | **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

	Note	Half Year Ended June 30, 2018	Half Year Ended June 30, 2017
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (Used in) / Generated from Operations	18	(149,868)	413,413
Decrease / (Increase) in non-current assets:			
- Long term loans		460	121
- Long term deposits		(716)	(11,285)
- Long term trade receivables		15,266	14,574
		15,010	3,410
Cash (Used in) / Generated from Operations		(134,858)	416,823
Retirement benefits paid		(8,927)	(194,346)
Finance cost paid		(9,566)	(164,632)
Income tax paid		(20,878)	(34,354)
Net Cash (Used in) / Generated from Operating Activities		(174,229)	23,491
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(40,176)	(39,543)
Intangibles purchased		-	(1,743)
Investment in subsidiary		(5,659)	-
Proceeds from disposal of property, plant and equipment		70,858	1,843
Net Cash Generated from / (Used in) Investing Activities		25,023	(39,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(63,257)	(78,609)
Receipt of sponsors' loan		300,000	-
Short term borrowings - net		2,502	15,340
Repayment of liabilities against assets subject to finance lease		-	(1,609)
Net Cash Generated from / (Used in) Financing Activities		239,245	(64,878)
Net Increase / (Decrease) in Cash and Cash Equivalents		90,039	(80,830)
Cash and cash equivalents at the beginning of the period		22,220	119,970
Cash and Cash Equivalents at the End of the Period		112,259	39,140

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements (un-audited).

Chief Executive Officer | **Director** | **Chief Financial Officer**

NOTES TO THE CONDENSED INTERM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2018

Note 1

The Company and its Operations

Worldcall Telecom Limited ("the Company") is a public limited company incorporated in Pakistan on March 15, 2001 under the Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange. The Company commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals; interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The Company is domiciled in Pakistan and its registered office is situated at Plot # 1566/124, Main Walton Road, Lahore Cantt.

Note 2

Basis of Preparation

2.1 These condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiary is stated at cost.

2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at December 31, 2016 is presented in these financial statements due to the a change in policy retrospectively (Refer to Note 3.1).

2.4 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2017. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2017 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the half year ended June 30, 2017.

2.5 These condensed interim financial statements are unaudited; however, a limited scope review has been performed by the external auditors as required by the Code of Corporate Governance.

2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

2.7 Going concern assumption

As at June 30, 2018, the accumulated loss of the Company stands at Rs. 12,878.43 million (December 31, 2017: Rs. 13,027.33 million) and its current liabilities exceed its current assets by Rs. 7,226.52 million (December 31, 2017: Rs. 9,499.77 million). These conditions, along with the contingencies referred to in note 11, as also fully explained in note 19 to the annual financial statements for the year ended December 31, 2017, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's management has carried out an assessment of going concern status of the Company and believes that preparation of these financial statements on going concern assumption is appropriate. The management has placed reliance on following factors:

2.7.1 **Net Liabilities Position - Risk Mitigation**

As mentioned above, there is a net current liability position of approximately Rs. 7.227 billion as on the reporting date, which can be summarized as below:

Description	Note	Rs in million
Short term Borrowings (Principal+Markup)	2.7.1.1	602
Pakistan Telecommunication Authority (PTA)	2.7.1.2	3,286
Claims of Parties Challenged	2.7.1.3	1360
Advance from Customers	2.7.1.4	117
Income Tax Provision	2.7.1.5	269
Continuing Business Partners	2.7.1.6	1295
Payable against long term investment		44
Others		254
		7,227

The management believes that certain balances included in the above amounts do not represent immediately payable liabilities as detailed below:

2.7.1.1 The Company has been successful in obtaining renewals of its short term financing facilities from all major banks and markup servicing is also being improved.

2.7.1.2 Liabilities towards PTA stand at approximately Rs. 3.286 billion which shall be payable owing to fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to industry circumstances and Court Orders whereby PTA shall be sharing the repayment plan.

2.7.1.3 Above amount includes Rs. 1.36 billion relating to certain parties whose claims have been challenged by the Company in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Company's position, the management believes that such amounts may not be immediately payable under the circumstances.

2.7.1.4 Advances from customers and unearned revenue aggregating Rs. 117 million will be recognized as revenue on rendering of services.

2.7.1.5 The Company does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.

2.7.1.6 The amount payable to creditors amounting Rs. 1.29 billion represents routine trade credits extended by regular parties and these balances represent a revolving nature. Thus, no immediate net cash outlay would be required.

2.7.2 **Continued Parent Company Support**

The Company's majority shareholder, WSL, has given assurance to provide continued cash flow support to the Company through its letter to the Company's Board of Directors.

Note 3
Significant Accounting Policies

The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding financial statements of the Company for the year ended December 31, 2017 except for the following:

3.1 Change in Accounting Policy

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's policy for surplus on revaluation of fixed assets stands amended as follows:

Increases in the carrying amounts arising on revaluation of fixed assets are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset' s original cost, net of tax, is reclassified from the revaluation surplus on fixed assets to retained earnings.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarized below:

	As at December 31, 2017			As at December 31, 2016		
	---Rupees in '000---					
	As previously reported	As re-stated	Re-statement	As previously reported	As re-stated	Re-statement
Effect on Statement of Financial Position:						
Surplus on revaluation of fixed assets	605,249	-	(605,249)	697,849	-	(697,849)
Share capital and reserves	1,260,054	1,865,303	605,249	(4,815,184)	(4,117,335)	697,849
Effect on Statement of Changes in Equity:						
Capital reserve - surplus on revaluation of fixed assets	-	605,249	605,249	-	697,849	697,849

There was no impact on condensed interim statement of profit or loss, statement of comprehensive income and statement of cash flows as a result of the retrospective application of change in accounting policy.

Note 4

Significant Accounting Judgments and Estimates

The preparation of condensed interim (un-audited) financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim (un-audited) financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2017.

Note 5

Ordinary Share Capital

June 30, 2018 (Un-audited)	December 31, 2017 (Audited)		Note	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
No. of Shares				--------------(Rupees in '000)--------------	
344,000,000	344,000,000	Ordinary shares of Rs. 10 each fully paid in cash		3,440,000	3,440,000
309,965,789	309,965,789	Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger		3,099,658	3,099,658
98,094,868	98,094,868	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		980,949	980,949
108,510,856	108,510,856	Ordinary shares of Rs. 10 each issued against convertible loan		1,085,109	1,085,109
341,427,263	260,544,234	Ordinary shares of Rs. 10 each issued against convertible preference shares		3,414,272	2,605,442
				12,019,988	11,211,158
		Less: Discount on issue of shares	5.5	(1,929,133)	(1,260,612)
1,201,998,776	1,121,115,747			10,090,855	9,950,546

5.1 Reconciliation of outstanding shares is as follows:

Opening balance	11,211,158	8,605,716
Add: Ordinary shares issued against convertible preference shares	808,830	2,605,442
Closing balance	12,019,988	11,211,158

5.2 During the period, 10,000 (2017: 38,500) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 29.666 million (2017: Rs. 101.268 million) have been converted into 80,883,029 (2017: 260,544,234) ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.

5.3 The terms of agreement between the Company and certain lenders of long term financing require prior consent of lenders before distribution of dividends by the Company.

5.4 Worldcall Services (Pvt.) Limited, parent of the Company, holds 501,862,290 shares (2017: 501,862,290 shares) in the Company.

Ferret Consulting F.Z.C., an associate of the Company, holds 61,586,541 shares (2017: 82,661,541 shares) in the Company.

5.5 Reconciliation of discount on issue of shares is as follows:

Opening balance	1,260,612	-
Add: Discount on issuance of ordinary shares during the period / year	668,521	1,260,612
Closing balance	1,929,133	1,260,612

Note 6
Preference Share Capital

June 30, 2018 (Un-audited)	December 31, 2017 (Audited)		Note	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
-------------No. of Shares-------------				------------(Rupees in '000)------------	
311,500	350,000	Opening balance		3,150,236	3,537,700
(10,000)	(38,500)	Less: Preference shares converted into ordinary shares during the year	6.3	(100,640)	(387,464)
301,500	311,500			3,049,596	3,150,236

6.1 These are foreign currency denominated, in US Dollars, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.

6.2 The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but no later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. CPS shall be converted fully or partially not less than USD 1 million at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

6.3 In accordance with the terms detailed in Note 6.2 above, certain preference shareholders have exercised conversion option. Thus, their cumulative preference shares and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.2 and Note 7.2.

6.4 CPS holders are entitled to non-cash dividend which shall be calculated at the rate of 5.9% per annum on each of the preference shares or the dividend declared by the Company for Ordinary Shareholders, whichever is higher.

6.5 CPS have been treated as part of equity on the following basis:

- The shares were issued under the provisions of section 84, 86 and 90 of the Companies Ordinance, 1984 and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the members of the Company at the Annual General Meeting held on April 30, 2012.
- The requirements of the Companies Ordinance, 1984 take precedence over the requirements of International Financial Reporting Standards.
- The preference shareholders have the right to convert these shares into ordinary shares.

Note 7
Dividends on Preference Shares

	Note	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
		----------------Rupees in '000----------------	
Dividend on preference shares	7.1	1,068,032	900,687

7.1 This represents accumulated dividend on CPS which is not payable in cash rather it will be converted into ordinary shares as and when the CPS are converted into ordinary shares.

7.2 During the period, cumulative preference dividend amounting to Rs. 29.666 million (2017: Rs. 101.268 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 6.2 above.

Note 8
Capital Reserves

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	--------------(Rupees in '000)--------------	
Fair value reserve	(7,852)	(5,928)
Exchange translation reserve	616,644	291,839
	608,792	285,911

Note 9

Term Finance Certificates

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	-------------(Rupees in '000)-------------	
Opening balance	1,517,110	1,517,110
Add: Deferred markup	533,058	-
Less: Impact of IAS-39	(156,915)	-
Less: Current and overdue portion	(260,000)	(1,517,110)
	1,633,253	-

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six month average KIBOR plus 1.60% per annum, payable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 7.81% to 8.64% (2017: 7.66% to 8.19%) per annum.

These TFCs were earlier rescheduled in December 2012, under which the principal was repayable in three semi-annual installments ending on October 07, 2015. In July 2014, the Company initiated the process of second rescheduling with the TFC holders. On April 03, 2015, the TFCs were rescheduled and the terms of the revised rescheduling agreement were effective from October 07, 2014. As per the revised terms, the tenure of the TFCs was extended by seven years with quarterly principal installments ending in October 2021. Mark up rate and security remained the same.

As per the terms of second rescheduling, payments in respect of principal and mark up aggregating to Rs. 1,090.902 million were required to be made up to year ended June 30, 2018. However, payments of only Rs. 146.617 million were made during financial year 2015 and no further payments, of principal and mark up, were made up to June 30, 2018. Hence, constituting a default as per the terms of second rescheduling. Consequently, the total amount became immediately payable.

In April 2016, the Trustee's legal counsel issued a legal notice to the Company demanding immediate payment of all principal amount and interest accrued thereon and liquidated damages within thirty days of the notice, failing which the Trustee would initiate legal proceedings against the Company. The Trustee also withdrew its Non Objection Certificate (NOC) given to the Company in respect of sale of Wireless Local Loop (WLL) passive infrastructure.

The management was positively engaged with TFC holders for restructuring of the liability. As a positive development in this regard the Board has approved the indicative term sheet. The appointed restructuring agent has circulated the terms sheet and 78.64% investors' approvals have been obtained on the same out of requisite two third majority for execution of restructuring.

Under the revised term sheet the outstanding principal is repayable by way of quarterly staggered installments over the period of 9 years. The outstanding markup payable as at the date of restructuring is agreed to be deferred and shall be paid from March 20, 2021 in quarterly installments. Under the revised term sheet, this loan is due to mature on September 20, 2026.

The other main terms include appointment of one representative as nominee director which is in process. There is also a restriction on payment of dividend to shareholders without the prior consent of the majority TFC holders.

IGI Investment Bank Limited is the Trustee (herein referred to as the Trustee) under the Trust Deed. These TFCs are secured against first pari passu charge over the Company's present and future fixed assets including equipment, plant and machinery, fixtures excluding land and building with 25% margin in addition to all rights, benefits, claims and interests procured by the Company under:

a) LDI and WLL license issued by PTA to the Company; and
b) Assigned frequency spectrum as per deed of assignment.

Further, 175 million sponsors shares will be pledged to Investors which will be released with quarterly scheduled principal repayments proportionately starting from June 2019.

The payments of Rs. 125 million and Rs. 25 million were due to be paid on March 31, 2018 and June 20, 2018 respectively under the revised term sheet. Consequently, these amounts along with other amounts payable within next twelve months have been transferred to current and overdue portion classified in '*Current portion of non-current liabilities*' .

Note 10

Sponsor's Loan

	Note	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
		-------------(Rupees in '000)-------------	
Sponsor's loan (interest-bearing - unsecured)	10.1	364,800	331,500
Sponsor's loan (interest-free - unsecured)		668,500	368,500
Adjustment due to impact to IAS-39		(34,908)	(24,107)
		633,592	344,393
		998,392	675,893

		June 30, 2018	December 31, 2017
10.1	Opening balance	331,500	-
	Add: Transferred from short term borrowings	-	419,200
	Add: Exchange Loss	33,300	17,300
		364,800	436,500
	Less: Adjusted during the period / year	-	(105,000)
		364,800	331,500

It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the period on the outstanding balance was 7.50% (2017: 7.45%) per annum.

Note 11

Contingencies and Commitments

There is no significant change in contingencies from the preceding annual published financial statements of the Company for the year ended December 31, 2017.

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	--------------(Rupees in '000)--------------	
Guarantees and Letter of Credits		
Outstanding guarantees and letter of credits	365,275	356,288
Commitments		
Commitments in respect of capital expenditure	83,659	16,597

Note 12

Property, Plant and Equipment

	Note	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
		--------------(Rupees in '000)--------------	
Operating fixed assets	12.1	7,192,699	6,814,020
Capital work-in-progress		98,992	110,703
		7,291,691	6,924,723

12.1 Operating fixed assets

	Note	June 30, 2018	December 31, 2017
Opening book value		6,814,020	7,957,927
Additions during the period / year	12.1.1	771,887	99,001
		7,585,907	8,056,928
Disposals / settlement (at book value) for the period / year	12.1.2	(69,446)	(568,573)
Depreciation charged during the period / year		(323,762)	(674,335)
Closing book value		7,192,699	6,814,020

12.1.1 Detail of additions

	Note	June 30, 2018	December 31, 2017
Leasehold improvements		4,087	23,422
Plant and equipment		40,441	57,376
Leased assets - Plant and equipment	12.1.1.1	720,000	-
Office equipment		2,785	6,243
Furniture and fixtures		826	8,834
Computers		3,709	2,366
Laboratory and other equipment		39	760
		771,887	99,001

12.1.1.1 This represents Indefeasible Right of Use (IRU) over tangible network of a party on reciprocal basis. The Company entered into a new Metro Fiber sale and purchase agreement during the period. The lease component of this agreement has been accounted for as IRU finance lease. The cost of asset is being depreciated over its lease term of 20 years.

12.1.2 Book values of assets disposed off / settled

	Note	June 30, 2018	December 31, 2017
Freehold Land		19,800	-
Plant and equipment	**12.1.2.1**	49,059	568,140
Computers		58	433
Vehicles		529	-
		69,446	568,573

12.1.2.1 This includes derecognition of fiber optic cable amounting to Rs. 47.917 million (2017: Nil) for which Indefeasible Right to Use (IRU) is given under '*Metro Fiber sale and purchase agreement*' .

Note 13
Intangible Assets

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	--------------(Rupees in '000)--------------	
Licenses	2,104,576	2,273,459
Softwares	-	949
Indefeasible right of use - media cost	397,094	423,228
	2,501,670	2,697,636

Note 14
Long Term Investment

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	--------------(Rupees in '000)--------------	
Subsidiary company - at cost [unquoted]		
Route 1 Digital (Private) Limited		
30,000 (December 31, 2017: Nil) fully paid ordinary share of Rs. 100 each, equity held 100% (December 31, 2017: Nil)	50,000	-

14.1 The Company has acquired 100% shares of Route 1 Digital (Private) Limited during the period. The principal place of business of Route 1 Digital (Private) Limited is situated at 2nd Floor 300-Y Block Phase III Defence Housing Authority Lahore, Pakistan. This investment in subsidiary is stated at cost.

14.2 From the total consideration amount of Rs. 50 million, only amount of Rs. 5.66 million has bee paid as at the reporting date. Remaining payable of Rs. 44.34 million has been shown as a current liability under the head of '*Payable against long term investment*'.

Note 15
Revenue - Net

This includes revenue amounting to Rs. 720 million (2017: Nil) in respect of agreement for Indefeasible Right of Use of metro fiber with a customer. The agreement grants both parties to the agreement IRU for 20 years.

Note 16
Other Income - Net

This includes the impact of write back of liabilities amounting to Rs. 559.43 million (June 30, 2017: Rs. 7,964.78 million).

Note 17
Taxation

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statement of profit or loss are:

	Half Year Ended June 30,		Quarter Ended June 30,	
	2018 (Un-audited)	2017 (Un-audited)	2018 (Un-audited)	2017 (Un-audited)
	----------(Rupees in '000)----------			
Current	112,529	394,530	89,064	439,066
Deferred	(94,820)	(75,085)	(94,820)	(130,187)
	17,709	319,445	(5,756)	308,879

Note 18

Cash Generated from Operations

	Half Year Ended June 30, 2018 (Un-audited)	2017 (Un-audited)
	--------------(Rupees in '000)--------------	
Profit before taxation	657,539	7,193,288
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	323,762	342,838
- Amortization on intangible assets	195,967	196,355
- Revenue from IRU agreement	(720,000)	-
- Amortization of long term trade receivable	(9,540)	(8,478)
- Provision for doubtful debts and other receivables	93	-
- Provision for stores and spares	-	9,707
- Liabilities no longer payable written back	(559,427)	(7,964,781)
- Gain on disposal of property, plant and equipment	(1,412)	(102,197)
- Gain on re-measurement of investment property at fair value	-	(17,800)
- Unwinding of discounting	12,054	-
- Retirement benefits	28,977	27,949
- Exchange loss on foreign currency loan	33,300	-
- Discounting of deferred markup on TFC	(156,915)	-
- Discounting of sponsors' loan	(34,907)	-
- Discounting of long term deposit	(16,220)	-
- Finance cost	102,771	244,366
	(801,497)	(7,272,041)
Operating loss before working capital changes	(143,958)	(78,753)
(Increase) / decrease in current assets		
- Stores and spares	(1,719)	(3,048)
- Stock-in-trade	9,385	19
- Trade debts	(99,261)	(172,745)
- Loans and advances	(42,822)	(70,551)
- Deposits and prepayments	(28,116)	3,274
- Other receivables	(13,127)	60,203
Increase in current liabilities		
- Trade and other payables	169,750	675,014
	(5,910)	492,166
Cash (Used in) / Generated from operations	(149,868)	413,413

Note 19

Related Party Transactions

Related parties comprise subsidiaries, associated companies, related group companies, directors of the Company, companies where directors also hold directorship and key management personnel. Significant transactions with related parties are as follows:

Related Party	**Relationship with the Company**	**Nature of transactions**	Half Year ended June 30, 2018 (Un-audited)	2017 (Un-audited)
			--------------(Rupees in '000)--------------	
Worldcall Services (Private) Limited	Parent Company	Markup on long term borrowings	18,229	15,653
		Funds received during the period under current account	54,400	117,024
		Funds paid during the period under current account	32,652	35,750
		Sponsor's loan received during the period	300,000	-
Ferret Consulting F.Z.C	Associate	Dividend on CPS	178,073	-
Route 1 Digital (Private) Limited	Wholly owned subsidiary	Investment made during the period	50,000	-
Key management personnel	Associated persons	Salaries and other employee benefits	64,801	103,408

		June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
		--------------(Rupees in '000)--------------	
Period/year end balances			
Worldcall Services (Private) Limited	Sponsors' loan	998,392	675,893
	Trade creditors	7,375	7,375
	Current Account	85,385	63,637
	Accrued markup	51,198	32,969
Ferret Consulting F.Z.C.	Dividend on CPS	882,006	-
Route 1 Digital (Private) Limited	Investment in subsidiary	50,000	-
	Deferred consideration	44,341	-
	Operating expenses	-	-
Key management personnel	Payable against expenses, salaries and other employee benefits	9,372	36,589
	Long term loans	2,430	2,450
	Advances	4,166	5,837

Note 20
Financial Risk Management

20.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2017.

There have been no changes in any risk management policies since the year end.

20.2 Liquidity risk

Compared to the year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities except for restructuring/refinancing of TFCs as referred to in note 9.

20.3 Fair value estimation

20.3.1 Set out below, is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at the reporting date:

	June 30, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	---'Rs. in '000---			
Financial Assets:				
Long term trade receivable	59,514	388,368	65,240	420,732
Financial Liabilities:				
Term finance certificates	1,633,253	2,050,168	-	-
Long term deposit	88,780	105,000	105,000	105,000
Sponsors' loan	998,392	1,033,300	675,893	700,000
	2,720,425	3,188,468	780,893	805,000

Carrying amounts of other financial assets and financial liabilities approximate to their fair values.

20.3.2 The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at June 30, 2018:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Available-for-sale investments	57,037	-	-	57,037

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2017:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Available-for-sale investments	58,961	-	-	58,961

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets and there were no changes in valuation techniques during the period.

Note 21
Subsequent Events

Subsequent to the reporting date, 24,100 Class B preference shares and related dividend payable of Rs. 85.611 million on these shares have been converted into 297,035,881 ordinary shares of Rupees 10 each.

Note 22
Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on August 31, 2018 by the Board of Directors of the Company.

Note 23
Corresponding Figures

Corresponding figures have been re-arranged / reclassified, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. Following re-arrangements / reclassifications have been made in these financial statements:

Nature	Reason	From	To	Amount (Rupees in '000)
Revaluation surplus	Change in policy	Surplus on revaluation of fixed assets	Share capital and reserves	605,249
Discount on issue of shares	Required by 4th Schedule to the Companies Act, 2017	Capital reserves	Ordinary share capital	1,260,612
Loan from parent company	Better presentation	Long term financing	Sponsors' loan	675,893
Salaries and other benefits	Better presentation	Operating expense	Direct cost excluding depreciation and amortization	93,898
Marketing and advertisement expenses	Better presentation	Advertisement and marketing	Operating cost	1,551
Unclaimed dividend	Required by 4th Schedule to the Companies Act, 2017	Trade and other payables	Face of balance sheet	1,807

Chief Executive Officer | Director | Chief Financial Officer