

## **PACE (PAKISTAN) LIMITED**

### **CONDENSED QUARTERLY ACCOUNTS (UN-AUDITED)**

**FOR THE PERIOD ENDED  
SEPTEMBER 30, 2011**

## **VISION**

Our vision is to build a future wherein the Pace Group is a household name across the country and is known worldwide for development and marketing of a fine living as well as shopping environment with highest quality and unmatched value-for-money.

## **OUR PRINCIPLES**

We are a Real Estate Development Company committed to achieving the highest industry standards and personal integrity in dealing with our customers, clients, professionals, employees, and the communities we work in.

## **MISSION STATEMENT**

Formed in 1992, Pace Pakistan's principal mandate is to acquire, develop, sale and manage real estate assets located in major urban environments where real estate demands have increased sharply due to lifestyle changes.

This increased demand together with the real estate expertise from Pace defines the vision and the road map for the company's future. Pace has and will continue to pursue residential, commercial and mixed-use transactions based on these principles with always an eye on strong community relations and integrity.

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## COMPANY INFORMATION

<b>Board of Directors</b>	Sheikh Sulaiman Ahmed Saeed Al-Hoqani (Chairman) Aamna Taseer (Chief Executive Officer) Shahbaz Ali Taseer Shehryar Ali Taseer Shehrbano Taseer Jamal Said Al-Ojaili Khaldoon Bin Latif Imran Saeed Chaudhry
<b>Chief Financial Officer</b>	Imran Hafeez
<b>Audit Committee</b>	Shehryar Ali Taseer (Chairman) Shahbaz Ali Taseer Shehrbano Taseer
<b>Company Secretary</b>	Shahzad Jawahar
<b>Auditors</b>	A.F. Ferguson & Co. Chartered Accountants
<b>Legal Advisers</b>	Imtiaz Siddiqui & Associates
<b>Bankers</b>	Albaraka Bank (Pakistan) Limited Allied Bank Limited Silkbank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited KASB Bank Limited National Bank of Pakistan Pak Iran Joint Investment Company Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab
<b>Registrar and Shares Transfer Office</b>	THK Associates (Pvt.) Limited Ground Floor, State Life Building- 3 Dr. Ziauddin Ahmed Road, Karachi ☎ (021) 111 000 322
<b>Registered Office/Head Office</b>	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 35757591-4 Fax: (042) 35757590, 35877920

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Pace (Pakistan) Limited ("the Company") take pleasure in presenting its shareholders the un-audited financial information of the Company for the first quarter September 30, 2011.

### Operating Results:

The Company incurred a loss of PKR 617 million during the quarter ended September 30, 2011. The comparison of the un-audited results for the first quarter ended September 30, 2011 with corresponding period of the previous financial year is as under:

Rupees in '000'

	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>
Sales	<b>72,252</b>	227,958
Gross (Loss)/ Profit	<b>(21,739)</b>	33,432
Changes in fair value of Investment Property	<b>(388,505)</b>	-
Other Operating income	<b>9,437</b>	2,796
Net Loss before Tax	<b>(617,072)</b>	(106,746)
Loss per share - Basic & Dilutive (PKR)	<b>(2.21)</b>	(0.39)

The economic conditions in general and specific to the real estate sector remained depressed during the period under review. Major decrease in gross margin is primarily due to the fact that properties sold were already carried at fair value in the books and sale of these properties resulted in realization of previously unrealized gain rather than having direct positive effect on gross margins. Increase in administrative expenses is primarily due to the addition of expenses of newly operational wing of Model Town Extension Mall for which discount on service charges has also been given and also due to the drastic increase in electricity and fuel cost. Increase in other income is mainly due to the increase in advertisement income, service charges and licensee income.

Due to the liquidity issues the Company has not been able to fulfill its commitments to the financial institutions and amount payable to financial institutions is currently in overdue status. However, the management is in process of rescheduling its financial obligations with financial institutions which is expected to be completed in due course.

### Board of Directors

There is no change in the composition of the Board of Directors since last reported in the annual report of Company for the year ended June 30, 2011.

### General

The Board of Directors also wishes to express its gratefulness to the shareholders for their continued support and to all their employees for their ongoing dedication and commitment to the Company.

For and on behalf of the Board of Directors

**Lahore**  
October 27, 2011

**Aamna Taseer**  
Chief Executive Officer

## PACE (PAKISTAN) LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2011

Note	<b>Unaudited September 30, 2011</b>	<b>Audited June 30, 2011</b>
	<b>(Rupees in thousand)</b>	
<b>EQUITY &amp; LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Authorised capital 600,000,000 (June 2011: 600,000,000) ordinary shares of Rs 10 each	<b>6,000,000</b>	6,000,000
Issued, subscribed and paid up capital 278,876,604 (June 2011: 278,876,604) ordinary shares of Rs 10 each	<b>2,788,766</b>	2,788,766
Reserves	<b>273,453</b>	273,160
Unappropriated profit	<b>726,235</b>	1,343,557
	<b>3,788,454</b>	4,405,483

### NON-CURRENT LIABILITIES

Long term finances - secured	6	<b>209,800</b>	228,000
Redeemable capital - secured (non-participatory)	7	<b>1,347,840</b>	1,497,600
Liabilities against assets subject to finance lease		<b>1,085</b>	1,890
Foreign currency convertible bonds - unsecured	8	<b>1,285,196</b>	1,248,567
Deferred liabilities		<b>35,740</b>	32,828
Advances against sale of property		<b>106,130</b>	112,330
Deferred income		<b>12,778</b>	17,569
		<b>2,998,569</b>	3,138,784

### CURRENT LIABILITIES

Current portion of long term liabilities	<b>756,259</b>	643,362
Short term finance - secured	<b>100,000</b>	100,000
Creditors, accrued and other liabilities	<b>442,794</b>	325,172
	<b>1,299,053</b>	1,068,534

### CONTINGENCIES AND COMMITMENTS

9	<b>8,086,076</b>	8,612,801
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The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

ASSETS	Note	Unaudited September 30, 2011 (Rupees in thousand)	(Audited) June 30, 2011
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	402,596	516,419
Intangible assets		8,669	8,808
Assets subject to finance lease		20,083	25,259
Capital work in progress		6,672	6,672
Investment property	11	3,373,550	3,828,426
Investments	12	611,126	623,833
Long term advances and deposits		13,533	13,533
Advance against purchase of property - unsecured		662,392	662,392
Deferred taxation		-	-
		<u>5,098,621</u>	<u>5,685,342</u>

#### CURRENT ASSETS

Stock-in-trade	1,647,754	1,618,172
Trade debts - unsecured	1,062,123	1,019,193
Advances, deposits, prepayments and other receivables	264,019	230,742
Cash and bank balances	13,559	59,352
	<u>2,987,455</u>	<u>2,927,459</u>
	<u>8,086,076</u>	<u>8,612,801</u>

DIRECTOR

## PACE (PAKISTAN) LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	July to September 2011      2010 (Rupees in thousand)	
Sales	72,252	227,958
Cost of sales	(93,991)	(194,526)
<b>Gross (loss) / profit</b>	<u>(21,739)</u>	<u>33,432</u>
Administrative and selling expenses	(74,092)	(59,663)
Other operating income	9,437	2,796
Other operating expenses	(23,084)	-
<b>Loss from operations</b>	<u>(109,478)</u>	<u>(23,435)</u>
Finance costs	(119,089)	(83,311)
Changes in fair value of investment property	(388,505)	-
<b>Loss before tax</b>	<u>(617,072)</u>	<u>(106,746)</u>
Taxation	(250)	(2,140)
<b>Loss for the period</b>	<u>(617,322)</u>	<u>(108,886)</u>
<b>Other comprehensive income / (loss)</b>		
Changes in fair value of available for sale investments	293	(1)
<b>Total comprehensive loss for the period</b>	<u>(617,029)</u>	<u>(108,887)</u>
Loss per share attributable to ordinary shareholders		
- basic loss per share	Rupees <u>(2.21)</u>	<u>(0.39)</u>
- diluted loss per share	Rupees <u>(2.21)</u>	<u>(0.39)</u>

The effect of the conversion of the Foreign currency convertible bonds into ordinary shares is anti-dilutive for the current period, accordingly the diluted EPS is restricted to the basic EPS.

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

**PACE (PAKISTAN) LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

		July to September	
	Note	2011	2010
		(Rupees in thousand)	
<b>Cash flow from operating activities</b>			
Cash (used in) / generated from operations	14	(66,951)	39,882
Net (decrease) / increase in advances			
against sale of property		(6,200)	14,166
Finance costs paid		(1,285)	(134,451)
Gratuity and leave encashment paid		(466)	(164)
Taxes paid		(2,634)	(2,644)
<b>Net cash used in operating activities</b>		<b>(77,536)</b>	<b>(83,211)</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		11,728	730
Proceeds from disposal of investment property		66,371	-
Proceeds from disposal of equity instrument		13,000	-
<b>Net cash generated from investing activities</b>		<b>91,099</b>	<b>730</b>
<b>Cash flow from financing activities</b>			
Repayment of long term finances		(54,200)	-
Payment of finance lease liabilities		(5,156)	(5,900)
<b>Net cash used in financing activities</b>		<b>(59,356)</b>	<b>(5,900)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(45,793)</b>	<b>(88,381)</b>
<b>Cash and cash equivalents - at beginning of the period</b>		<b>59,352</b>	<b>176,651</b>
<b>Cash and cash equivalents - at end of the period</b>		<b>13,559</b>	<b>88,270</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

**LAHORE**

**CHIEF EXECUTIVE**

**DIRECTOR**

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**PACE (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	Share capital	Share premium reserve	Revaluation reserve for investment property	Reserve for changes in fair value of investments	Unappropriated profit	Total
<b>Balance as on July 1, 2010 (Audited)</b>	2,788,766	273,265	81,097	(3)	3,343,021	6,486,146
<b>Total comprehensive loss for September quarter</b>						
Loss for the period	-	-	-	-	(108,886)	(108,886)
Other comprehensive loss	-	-	-	(1)	-	(1)
	-	-	-	(1)	(108,886)	(108,887)
Transfer of reserve relating to sale of investment property	-	-	(41,898)	-	41,898	-
<b>Balance as on September 30, 2010 (Unaudited)</b>	2,788,766	273,265	39,199	(4)	3,276,033	6,377,259
<b>Total comprehensive loss for the nine months</b>						
Loss for the period	-	-	-	-	(1,971,675)	(1,971,675)
Other comprehensive loss	-	-	-	(101)	-	(101)
	-	-	-	(101)	(1,971,675)	(1,971,776)
Transfer of reserve relating to sale of investment property	-	-	(39,199)	-	39,199	-
<b>Balance as on June 30, 2011 (Audited)</b>	2,788,766	273,265	-	(105)	1,343,557	4,405,483
<b>Total comprehensive loss for September quarter</b>						
Loss for the period	-	-	-	-	(617,322)	(617,322)
Other comprehensive income	-	-	-	293	-	293
	-	-	-	293	(617,322)	(617,029)
<b>Balance as on September 30, 2011 (Unaudited)</b>	2,788,766	273,265	-	188	726,235	3,788,454

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

**LAHORE**

## CHIEF EXECUTIVE

**DIRECTOR**

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**PACE (PAKISTAN) LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION FOR THE QUARTER ENDED**  
**SEPTEMBER 30, 2011 (UN-AUDITED)**

**1. Legal status and activities**

Pace (Pakistan) Limited ('the Company') is a public limited Company incorporated in Pakistan and listed on Karachi and Lahore Stock Exchanges. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

**2. Statement of compliance**

This condensed interim financial information of the Company is unaudited and is being submitted to the members as required by section 245 of The Companies Ordinance, 1984 (the Ordinance) and the listing regulations of Karachi and Lahore Stock Exchanges. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued by Securities and Exchange Commission of Pakistan (SECP) under the Ordinance. Wherever the requirements of IAS 34 differ from the requirements of the Ordinance or directives issued by the SECP, the Ordinance and the said directives have been followed.

This condensed interim financial information does not include all the information and disclosures required for annual financial statements and therefore, should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2011.

This condensed interim financial information is presented in Pak Rupee, which is the functional currency of the Company. All the financial information presented in Pak Rupee has been rounded off to the nearest thousand, except for earnings per share which is presented in whole figures.

**3. Significant accounting policies**

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2011.

The following new standards and amendments to existing approved accounting standards are mandatory for the first time for the financial year beginning July 01, 2011. However, the adoption of these new standards and amendments to standards did not have any significant impact on the financial information of the company:

- Amendments to IFRS 7, 'Financial instruments: Disclosures'

- IAS 24 (Revised), 'Related Party Disclosures'

The following amendments and interpretations to existing approved accounting standards became effective during the period, but are either not currently relevant to the Company or do not have any significant impact on the Company's financial information:

- IFRS 1 (amendments), 'First-time adoption of International Financial Reporting Standards'

- IFRIC 13 (amendment), 'Customer loyalty programmes'

**4. Critical Accounting Estimates and Judgments**

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of

estimates and uncertainty were the same as those that applied to annual audited financial information of the Company for the year ended June 30, 2011.

**5. Taxation**

The provision for taxation for the quarter ended September 30, 2011 has been made on an estimated basis.

Unaudited September 30, 2011 (Rupees in thousand)	Audited June 30, 2011
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**6. Long term finances - secured**

Opening balance	827,422	836,563
Add: Addition during the period / year	-	40,000
	<u>827,422</u>	<u>876,563</u>
Less: Repayment during the period / year	54,200	49,141
	<u>773,222</u>	<u>827,422</u>
Less: Current portion shown under current liabilities	563,422	599,422
	<u>209,800</u>	<u>228,000</u>

**7. Redeemable capital - secured (non-participatory)**

Opening balance	1,498,200	1,498,200
Less: Redeemed during the period	-	-
	<u>1,498,200</u>	<u>1,498,200</u>
Less: Current portion shown under current liabilities	150,360	600
	<u>1,347,840</u>	<u>1,497,600</u>

**8. Foreign currency convertible bonds - unsecured**

Opening balance	1,254,643	1,181,561
Mark-up accrued during the period / year	20,139	78,073
	<u>1,274,782</u>	<u>1,259,634</u>
Mark-up paid during the period / year	-	(11,490)
Exchange loss for the period / year	19,978	6,499
	<u>1,294,760</u>	<u>1,254,643</u>
Less: Current portion shown under current liabilities	9,564	6,076
	<u>1,285,196</u>	<u>1,248,567</u>

**9. Contingencies and commitments**

**9.1 Contingencies**

- (i) Claims against the company not acknowledged as debts Rs 21.644 million (June 2011: Rs 21.644 million).
- (ii) Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favour of The Bank of Punjab, amounting to Rs 900 million (June 2011: Rs 900 million) as per the approval of shareholders through the special resolution dated July 29, 2006.

**9.2 Commitments**

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

	Note	Unaudited September 30, 2011 (Rupees in thousand)	Audited June 30, 2011
Not later than one year		6,300	7,326
Later than one year and not later than five years		28,350	38,129
Later than five years		769,851	25,689
		<u>804,501</u>	<u>71,144</u>
<b>10. Property, plant and equipment</b>			
Book value at beginning of the period / year		516,419	550,444
Add:			
- Additions during the period / year	10.1	-	80
- Transfers from assets subject to finance lease - at book value		-	7,184
		-	7,264
		<u>516,419</u>	<u>557,708</u>
Less:			
- Disposals during the period / year - at book value		14,834	2,799
- Depreciation charged during the period / year		5,354	38,490
- Transferred to inventory - at book value		93,635	-
		<u>113,823</u>	<u>41,289</u>
Book value at end of the period / year		<u>402,596</u>	<u>516,419</u>
<b>10.1. Additions during the period / year</b>			
Computers		-	80
		<u>-</u>	<u>80</u>
<b>11. Investment property</b>			
Fair value at beginning of the period / year		3,828,426	4,935,576
Additions to cost during the period / year:			
- Transfer from stock-in-trade		-	12,639
- Purchase of assets classified as 'investment property'		-	17,300
- Transfer to stock-in-trade		-	(116,305)
- Disposal of investment property		(66,371)	(232,626)
		<u>3,762,055</u>	<u>4,616,584</u>
Fair value at end of the period / year - before revaluation		3,762,055	4,616,584
Add: Fair value loss recognised in profit and loss account		(388,505)	(788,158)
Fair value at end of the period / year - after revaluation		<u>3,373,550</u>	<u>3,828,426</u>
<b>12. Investments</b>			
Equity instruments of:			
- subsidiaries - unquoted	12.1	55	55
- associated undertakings - unquoted	12.2	607,101	620,101
		<u>607,156</u>	<u>620,156</u>
Available for sale - quoted	12.3	3,970	3,677
		<u>611,126</u>	<u>623,833</u>

	Note	Unaudited September 30, 2011 (Rupees in thousand)	Audited June 30, 2011
<b>12.1 Subsidiaries - unquoted</b>			
Pace Woodlands (Private) Limited 3,000 (June 2011: 3,000) fully paid ordinary shares of Rs 10 each Equity held 52% (June 2011: 52%)		30	30
Pace Gujrat (Private) Limited 2,450 (June 2011: 2,450) fully paid ordinary shares of Rs 10 each Equity held 100% (June 2011: 100%)		25	25
		<u>55</u>	<u>55</u>
<b>12.2 Associated undertakings - unquoted</b>			
Pace Barka Properties Limited 75,865,100 (June 2011: 77,500,000) fully paid ordinary shares of Rs 10 each Equity held 24.85% (June 2011: 25.4%)		761,901	774,901
Pace Super Mall (Private) Limited 18,000 (June 2011: 18,000) fully paid ordinary shares of Rs 10 each Equity held 40% (June 2011: 40%)		180	180
		<u>762,081</u>	<u>775,081</u>
Less: Cumulative impairment losses recognized	12.2.1	(154,980)	(154,980)
		<u>607,101</u>	<u>620,101</u>
<b>12.2.1 Cumulative impairment losses recognized</b>			
As at July 1		154,980	-
Recognised during the period / year		-	154,980
		<u>154,980</u>	<u>154,980</u>
<b>12.3 Available for sale - quoted</b>			
Worldcall Telecom Limited 912 (June 2011: 912) fully paid ordinary shares of Rs 10 each		6	6
Shaheen Insurance Limited 294,037 (June 2011: 294,037) fully paid ordinary shares of Rs 10 each		3,776	3,776
		<u>3,782</u>	<u>3,782</u>
Add: Cumulative fair value gain / (loss)	12.3.1	188	(105)
		<u>3,970</u>	<u>3,677</u>
<b>12.3.1 Cumulative fair value gain / (loss)</b>			
As at July 1		(105)	(3)
Fair value gain / (loss) during the period / year		293	(102)
		<u>188</u>	<u>(105)</u>



		July to September	
		2011	2010
		(Rupees in thousand)	
13. Transactions with related parties			
Relationship with the Company	Nature of transaction		
i. Subsidiaries	Purchase of goods & services	429	1,653
ii. Associates	Commission income	375	375
	Sales of goods and services	1,815	1,500
iii. Key management personnel	Short term employee benefits	3,609	1,202
	Post employment benefits	-	903
	Advances	10,641	1,198
		Unaudited September 30, 2011	Audited June 30, 2011
		(Rupees in thousand)	
Period end balances			
	Receivable from related parties	942,863	931,563
	Payable to related parties	3,066	-

All transactions with related parties have been carried out on commercial terms and conditions.

	Unaudited	
	September 30, 2011	September 30, 2010
	(Rupees in thousand)	
<b>14. Cash (used in) / generated from operations</b>		
Loss before tax	(617,072)	(106,746)
Adjustment for:		
Depreciation on:		
- property, plant and equipment	5,354	7,393
- assets subject to finance lease	5,176	5,645
Amortisation on intangible assets	139	234
Loss / (gain) on sale of property, plant and equipment	3,106	(265)
Exchange loss on foreign currency convertible bonds	19,978	5,522
Provision for gratuity and leave encashment	2,912	2,379
Finance costs	119,089	83,311
Changes in fair value of investment property	388,505	-
Deferred income	(4,791)	(4,791)
Loss before working capital changes	(77,604)	(7,318)

Effect on cash flow due to working capital changes:

Decrease in stock-in-trade	64,053	134,000
Increase in trade debts	(42,930)	(35,353)
Increase in advance against purchase of property	-	(3,417)
Increase in advances, deposits and other receivables	(30,893)	(52,162)
Increase in creditors, accrued and other liabilities	20,423	4,132
	10,653	47,200
	(66,951)	39,882

#### 15. Operating Segments

Operating segments and basis of determination of operating segments are same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2011.

#### 15.1 Segment information

	(Rupees in thousands)			
	Real estate sales		Investment properties	
	Quarter ended September 30, 2011	Quarter ended September 30, 2010	Quarter ended September 30, 2011	Quarter ended September 30, 2010
Segment revenue	27,600	10,000	6,284	160,511
Segment expenses				
- Cost of sales	(25,369)	(7,200)	-	(137,647)
- Stores operating expenses	(26,214)	(1,873)	(5,968)	(20,057)
Gross (loss)/profit	(23,983)	927	316	2,807
- Changes in fair value of investment property	-	-	(388,505)	-
<b>Segment results</b>	<b>(23,983)</b>	<b>927</b>	<b>(388,189)</b>	<b>2,807</b>
Administrative and selling expenses				
Other operating income				
Finance costs				
Other operating expenses				
<b>Loss before tax</b>				
Taxation				
<b>Loss for the period</b>				

**16. Date of authorisation**

This condensed interim financial information was approved and authorised for issue on October 27, 2011 by the Board of Directors of the Company.

**17. Corresponding figures**

Corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended June 30, 2011 and corresponding figures in the condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement comprise of balances of comparable period of the immediately preceding financial year i.e. quarter ended September 30, 2011. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation, however, no significant re-arrangements have been made.

**PACE (PAKISTAN) GROUP**

**CONDENSED CONSOLIDATED  
QUARTERLY FINANCIAL ACCOUNTS  
(UN-AUDITED)**

**FOR THE PERIOD ENDED  
SEPTEMBER 30, 2011**

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Pace (Pakistan) Limited ("the Group") take pleasure in presenting to its shareholders the un-audited consolidated financial information of the Group for the first quarter September 30, 2011.

### Operating Results:

Group incurred a loss of PKR 646 million during the quarter ended September 30, 2011. The comparison of the un-audited results for the first quarter ended September 30, 2011 with corresponding period of the previous financial year is as under:

	Rupees in '000'	
	Jul-Sep 2011	Jul-Sep 2010
Sales	72,252	227,958
Gross (Loss) / Profit	(24,120)	32,984
Changes in fair value of Investment Property	(388,505)	-
Other Operating income	11,129	3,726
Net Loss before Tax	(646,487)	(122,137)
Loss per share - Basic & Dilutive (PKR)	(2.31)	(0.43)

The economic conditions in general and specific to the real estate sector remained depressed during the period under review. Major decrease in gross margin is primarily due to the fact that properties sold were already carried at fair value in the books and sale of these properties resulted in realization of previously unrealized gain rather than having direct positive effect on gross margins. Increase in administrative expenses is primarily due to the addition of expenses of newly operational wing of Model Town Extension Mall for which discount on service charges has also been given and also due to the drastic increase in electricity and fuel cost. Increase in other income is mainly due to the increase in advertisement income, service charges and licensee income.

Due to the liquidity issues the Group has not been able to fulfill its commitments to the financial institutions and amount payable to financial institutions is currently in overdue status. However, the management is in process of rescheduling its financial obligations with financial institutions which is expected to be completed in due course.

### General:

The Board of Directors also wishes to express its gratefulness to the shareholders for their continued support and to all their employees for their ongoing dedication and commitment to the Group.

For and on behalf of the Board of Directors

Lahore  
October 27, 2011

Aamna Taseer  
Chief Executive Officer

## PACE (PAKISTAN) GROUP CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2011

Note	Unaudited September 30, 2011	Audited June 30, 2011
	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Authorised capital 600,000,000 (June 2011: 600,000,000) ordinary shares of Rs 10 each	6,000,000	6,000,000
Issued, subscribed and paid up capital 278,876,604 (June 2011: 278,876,604) ordinary shares of Rs 10 each	2,788,766	2,788,766
Reserves	651,356	651,379
Unappropriated profit	1,027,736	1,671,644
	4,467,858	5,111,789
<b>NON-CONTROLLING INTEREST</b>	(15,260)	(15,514)
	4,452,598	5,096,275

### NON-CURRENT LIABILITIES

Long term finances		
- secured	6	209,800
- unsecured		5,637
Redeemable capital - secured (non-participatory)	7	1,347,840
Liabilities against assets subject to finance lease		1,084
Foreign currency convertible bonds - unsecured	8	1,285,196
Deferred liabilities		35,740
Advances against sale of property		106,130
Deferred income		12,778
		3,004,205
		3,144,421

### CURRENT LIABILITIES

Current portion of long term liabilities	756,260	643,362
Short term finances - secured	100,000	104,457
Creditors, accrued and other liabilities	486,325	364,779
Taxation	5,534	5,534
	1,348,119	1,118,132

### CONTINGENCIES AND COMMITMENTS

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8,804,922	9,358,828
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The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

LAHORE

CHIEF EXECUTIVE

**PACE (PAKISTAN) GROUP  
CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	<b>July to September</b>	
	<b>2011</b>	<b>2010</b>
	<b>(Rupees in thousand)</b>	
Sales	72,252	227,958
Cost of sales	(96,372)	(194,974)
<b>Gross (loss) / profit</b>	<b>(24,120)</b>	32,984
Administrative and selling expenses	(74,190)	(59,663)
Other operating income	11,129	3,726
Other operating expenses	(23,084)	-
<b>Loss from operations</b>	<b>(110,265)</b>	(22,953)
Finance costs	(119,459)	(87,661)
Changes in fair value of investment property	(388,505)	-
Share of loss from associates	(28,258)	(11,523)
<b>Loss before tax</b>	<b>(646,487)</b>	(122,137)
Taxation		
- Group	(250)	(2,140)
- Associated companies	3,083	4063
	2,833	1,923
<b>Loss for the period</b>	<b>(643,654)</b>	(120,214)
<b>Other comprehensive (loss) / income</b>		
Changes in fair value of available for sale investments	293	(1)
Share in capital reserves of associates	(316)	25,350
Total other comprehensive (loss) / income	(23)	25,349
<b>Total comprehensive loss for the period</b>	<b>(643,677)</b>	(94,865)
Attributable to:		
Equity holders of the parent	(643,931)	(92,862)
Non-controlling interest	254	(2,003)
	<b>(643,677)</b>	<b>(94,865)</b>
Loss per share attributable to ordinary shareholders		
- basic loss per share	Rupees (2.31)	(0.43)
- diluted loss per share	Rupees (2.31)	(0.43)

The effect of the conversion of the Foreign currency convertible bonds into ordinary shares is anti-dilutive for the current period, accordingly the diluted EPS is restricted to the basic EPS.

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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Note	<b>Unaudited September 30, 2011</b>	<b>Audited June 30, 2011</b>
	<b>(Rupees in thousand)</b>	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	10 402,596	516,419
Intangible assets	8,669	8,808
Assets subject to finance lease	20,083	25,259
Capital work in progress	6,672	6,672
Investment property	11 3,373,550	3,828,426
Investments	12 1,273,352	1,311,550
Long term advances and deposits	13,533	13,533
Advance against purchase of property - unsecured	662,392	662,392
Deferred taxation	-	-
	<b>5,760,847</b>	<b>6,373,059</b>

**CURRENT ASSETS**

Stock-in-trade	1,673,608	1,646,405
Trade debts - unsecured	1,062,425	1,019,495
Due from related parties - unsecured	13 19,201	18,506
Advances, deposits, prepayments and other receivables	275,046	241,771
Cash and bank balances	13,795	59,592
	<b>3,044,075</b>	<b>2,985,769</b>

<b>8,804,922</b>	<b>9,358,828</b>
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DIRECTOR

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**PACE (PAKISTAN) GROUP  
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT  
(UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

		July to September	
	Note	2011	2010
(Rupees in thousand)			
<b>Cash flow from operating activities</b>			
Cash (used in) / generated from operations	15	(61,631)	41,257
Net (decrease) / increase in advances against sale of property		(6,200)	14,166
Finance costs paid		(2,152)	(138,398)
Gratuity and leave encashment paid		(466)	(165)
Taxes paid		(2,634)	(3,783)
<b>Net cash used in operating activities</b>		<b>(73,083)</b>	<b>(86,923)</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		11,728	730
Proceeds from disposal of equity instrument		13,000	-
Proceeds from disposal of investment property		66,371	-
<b>Net cash generated from investing activities</b>		<b>91,099</b>	<b>730</b>
<b>Cash flow from financing activities</b>			
Receipt of funds from long term finances		-	15,280
Repayment of long term finances		(54,200)	(10,500)
Repayment of short term finances		(4,457)	-
Payment of finance lease liabilities		(5,156)	(5,900)
<b>Net cash used in financing activities</b>		<b>(63,813)</b>	<b>(1,120)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(45,797)</b>	<b>(87,313)</b>
<b>Cash and cash equivalents - at beginning of the period</b>		<b>59,592</b>	<b>41,547</b>
<b>Cash and cash equivalents - at end of the period</b>		<b>13,795</b>	<b>(45,766)</b>

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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**PACE (PAKISTAN) GROUP  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	(Rupees in thousand)									
	Attributable to equity holders of the parent				Non-controlling Interest		Total Equity			
	Share capital	Share premium reserve	Revaluation reserve for investment property	Reserve for changes in fair value of investments	Share in capital reserves of associates	Total				
<b>Balance as on July 1, 2010 (Audited)</b>	2,788,766	273,265	81,097	(3)	331,731	4,142,326	7,617,182	(10,154)	7,607,028	
<b>Total comprehensive loss for September quarter</b>										
Loss for the period	-	-	-	-	-	(118,211)	(118,211)	(2,003)	(120,214)	
Other comprehensive (loss) / income	-	-	-	(1)	25,350	-	25,349	-	25,349	
	-	-	-	(1)	25,350	(118,211)	(92,862)	(2,003)	(94,865)	
Transfer of reserve relating to sale of investment property	-	-	(41,898)	-	-	41,898	-	-	-	
<b>Balance as on September 30, 2010 (Unaudited)</b>	2,788,766	273,265	39,199	(4)	357,081	4,066,013	7,524,320	(12,157)	7,512,163	
<b>Total comprehensive loss for the nine months</b>										
Loss for the period	-	-	-	-	-	(2,433,568)	(2,433,568)	(3,357)	(2,436,925)	
Other comprehensive (loss) / income	-	-	-	(101)	21,138	-	21,037	-	21,037	
	-	-	-	(101)	21,138	(2,433,568)	(2,412,531)	(3,357)	(2,415,888)	
Transfer of reserve relating to sale of investment property	-	-	(39,199)	-	-	39,199	-	-	-	
<b>Balance as on June 30, 2011 (Audited)</b>	2,788,766	273,265	-	(105)	378,219	1,671,644	5,111,789	(15,514)	5,096,275	
<b>Total comprehensive loss for September quarter</b>										
Loss for the period	-	-	-	-	-	(643,908)	(643,908)	(254)	(643,654)	
Other comprehensive income / (loss)	-	-	-	293	(316)	(643,908)	(643,931)	(254)	(643,677)	
	-	-	-	293	(316)	(643,908)	(643,931)	(254)	(643,677)	
<b>Balance as on September 30, 2011 (Unaudited)</b>	2,788,766	273,265	-	188	377,903	1,021,736	4,467,858	(15,260)	4,452,598	

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

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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# **PACE (PAKISTAN) GROUP** **NOTES TO AND FORMING PART OF THE CONSOLIDATED** **CONDENSED INTERIM FINANCIAL INFORMATION FOR THE** **QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)**

## **1. Legal status and activities**

### **1.1 Constitution and ownership**

The consolidated condensed financial information of the Pace (Pakistan) Group comprise of the financial information of:

#### **Pace (Pakistan) Limited**

Pace (Pakistan) Limited (the "holding company") is a public limited company incorporated in Pakistan and listed on Karachi and Lahore Stock Exchanges. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

#### **Pace Gujrat (Private) Limited**

Pace Gujrat (Private) Limited (a subsidiary) was incorporated on July 8, 2005 as a private limited company under Companies Ordinance, 1984. The object of the company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc. It is a wholly owned company of Pace (Pakistan) Limited.

#### **Pace Woodlands (Private) Limited**

Pace Woodlands (Private) Limited (a subsidiary) was incorporated on July 27, 2004 as a private limited company under Companies Ordinance, 1984. The object of the company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.

### **1.2 Activities of the Group**

The object of the group is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

## **2. Statement of compliance**

This consolidated condensed interim financial information of the Group is un-audited and is being submitted to the members as required by section 245 of The Companies Ordinance, 1984 (the Ordinance) and the listing regulations of Karachi and Lahore Stock Exchanges. This consolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued by Securities and Exchange Commission of Pakistan (SECP) under the Ordinance. Wherever the requirements of IAS 34 differ from the requirements of the Ordinance or directives issued by the SECP, the Ordinance and the said directives have been followed.

This consolidated condensed interim financial information does not include all the information and disclosures required for annual consolidated financial statements and therefore, should be read in conjunction with the annual consolidated audited financial statements of the Group for the year ended June 30, 2011.

This consolidated condensed interim financial information is presented in Pak Rupee, which is the functional currency of the Group. All the financial information presented in Pak Rupee has been rounded off to the nearest thousand, except for earnings per share which is presented in whole figures.

## **3. Significant accounting policies**

The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of audited annual consolidated financial information of the Group for the year ended June 30, 2011.

The following new standards and amendments to existing approved accounting standards are mandatory for the first time for the financial year beginning July 01, 2011. However, the adoption of these new standards and amendments to standards did not have any significant impact on the financial information of the Group:

- Amendments to IFRS 7, 'Financial instruments: Disclosures'

- IAS 24 (Revised), 'Related Party Disclosures'

The following amendments and interpretations to existing approved accounting standards became effective during the period, but are either not currently relevant to the Group or do not have any significant impact on the Group's financial information:

- IFRS 1 (amendments), 'First-time adoption of International Financial Reporting Standards'

- IFRIC 13 (amendment), 'Customer loyalty programmes'

## **4. Critical Accounting Estimates and Judgments**

During the preparation of this consolidated condensed interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimates and uncertainty were the same as those that applied to consolidated annual audited financial statements of the Group for the year ended June 30, 2011.

## **5. Taxation**

The provision for taxation for the quarter ended September 30, 2011 has been made on an estimated basis.

	<b>Unaudited September 30, 2011</b>	<b>Audited June 30, 2011</b>
	<b>(Rupees in thousand)</b>	
<b>6. Long term finances - secured</b>		
Opening balance	<b>827,422</b>	868,063
Add: Addition during the period / year	<b>-</b>	40,000
	<b>827,422</b>	<b>908,063</b>
Less: Repayment during the period / year	<b>54,200</b>	<b>80,641</b>
	<b>773,222</b>	827,422
Less: Current portion shown under current liabilities	<b>563,422</b>	599,422
	<b>209,800</b>	<b>228,000</b>

	Unaudited September 30, 2011 (Rupees in thousand)	Audited June 30, 2011
<b>7. Redeemable capital - secured (non-participatory)</b>		
Opening balance	1,498,200	1,498,200
Less: Redeemed during the period	-	-
	<u>1,498,200</u>	<u>1,498,200</u>
Less: Current portion shown under current liabilities	150,360	600
	<u>1,347,840</u>	<u>1,497,600</u>
<b>8. Foreign currency convertible bonds - unsecured</b>		
Opening balance	1,254,643	1,181,561
Mark-up accrued during the period / year	20,139	78,073
	<u>1,274,782</u>	<u>1,259,634</u>
Mark-up paid during the period / year	-	(11,490)
Exchange loss for the period / year	19,978	6,499
	<u>1,294,760</u>	<u>1,254,643</u>
Less: Current portion shown under current liabilities	9,564	6,076
	<u>1,285,196</u>	<u>1,248,567</u>

#### 9. Contingencies and commitments

##### 9.1 Contingencies

- (i) Claims against the Group not acknowledged as debts Rs 21.644 million (June 2011: Rs 21.644 million).
- (ii) Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favour of The Bank of Punjab, amounting to Rs 900 million (June 2011: Rs 900 million) as per the approval of shareholders through the special resolution dated July 29, 2006.
- (iii) The Group entered into an agreement with Worldcall Telecom Limited (WTL) for Rs 12.138 million to provide dark optical fibre services (installation and maintenance) for a period of twenty years on the existing WTL metro optical fibre network.

##### 9.2 Commitments

- (i) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Unaudited September 30, 2011 (Rupees in thousand)	Audited June 30, 2011
Not later than one year	6,300	7,326
Later than one year and not later than five years	28,350	38,129
Later than five years	769,851	25,689
	<u>804,501</u>	<u>71,144</u>

Note	Unaudited September 30, 2011 (Rupees in thousand)	Audited June 30, 2011
<b>10. Property, plant and equipment</b>		
Book value at beginning of the period / year	516,419	550,444
Add:		
- Additions during the period / year	-	80
- Transfers from assets subject to finance lease - at book value	-	7,184
	<u>-</u>	<u>7,264</u>
	<u>516,419</u>	<u>557,708</u>
Less:		
- Disposals during the period / year - at book value	14,834	2,799
- Depreciation charged during the period / year	5,354	38,490
- Transferred to inventory - at book value	93,635	-
	<u>113,823</u>	<u>41,289</u>
Book value at end of the period / year	<u>402,596</u>	<u>516,419</u>
<b>10.1. Additions during the period / year</b>		
Computers	-	80
	<u>-</u>	<u>80</u>
<b>11. Investment property</b>		
Fair value at beginning of the period / year	3,828,426	5,035,576
Additions to cost during the period / year:		
- Transfer from stock-in-trade	-	12,639
- Purchase of assets classified as 'investment property'	-	17,300
- Transfer to stock-in-trade	-	(116,305)
- Disposal of investment property	(66,371)	(332,626)
	<u>3,762,055</u>	<u>4,616,584</u>
Fair value at end of the period / year - before revaluation	3,762,055	4,616,584
Add: Fair value loss recognised in profit and loss account	(388,505)	(788,158)
Fair value at end of the period / year - after revaluation	<u>3,373,550</u>	<u>3,828,426</u>
<b>12. Investments</b>		
Associated undertakings - unquoted	12.1 1,269,382	1,307,873
Available for sale - quoted	12.2 3,970	3,677
	<u>1,273,352</u>	<u>1,311,550</u>
<b>12.1 Associated undertakings - unquoted</b>		
Pace Barka Properties Limited 75,865,100 (June 2011: 77,500,000) fully paid ordinary shares of Rs 10 each Equity held 24.85% (June 2011: 25.4%)	12.1.1 1,424,182	1,462,673
Pace Super Mall (Private) Limited 18,000 (June 2011: 18,000) fully paid ordinary shares of Rs 10 each Equity held 40% (June 2011: 40%)	180	180
	<u>1,424,362</u>	<u>1,462,853</u>
Less: Cumulative impairment losses recognized	12.1.2 (154,980)	(154,980)
	<u>1,269,382</u>	<u>1,307,873</u>



	Unaudited September 30, 2011 (Rupees in thousand)	Audited June 30, 2011
<b>12.1.1 Pace Barka Properties Limited</b>		
Cost	761,901	774,901
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognized directly in profit and loss account	687,772 1,449,673	1,114,587 1,889,488
Share of movement in reserves during the year	(316)	46,488
Share of profit/(loss) for the year		
- before taxation	(9,348)	(136,676)
- provision for taxation	3,083	18,195
Loss on sale of investment	(18,910)	(354,822)
	(25,175)	(473,303)
	1,424,182	1,462,673

#### 12.1.2 Cumulative impairment losses recognized

As at July 1	154,980	-
Recognised during the period / year	-	154,980
	154,980	154,980

#### 12.2 Available for sale - quoted

Worldcall Telecom Limited		
912 (June 2011: 912) fully paid ordinary shares of Rs 10 each	6	6
Shaheen Insurance Limited		
294,037 (June 2011: 294,037) fully paid ordinary shares of Rs 10 each	3,776 3,782	3,776 3,782

Add: Cumulative fair value gain / (loss)	12.2.1 188	(105)
	3,970	3,677

#### 12.2.1 Cumulative fair value gain / (loss)

As at July 1	(105)	(3)
Fair value gain / (loss) during the period / year	293	(102)
	188	(105)

#### 13. Due from related parties - unsecured

Due from related party	13.1 19,201	18,506
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**13.1** These advances are considered good and carry mark up at the rate ranging from 16.5% to 17.5% per annum (June 2011: 16.5% to 17.5%).

#### 14. Transactions with related parties

Relationship with the Group	Nature of transaction	Unaudited September 30, 2011 (Rupees in thousand)	September 30, 2010
i. Associates	Purchase of goods & services	429	1,653
	Mark up income	694	691
	Commission income	375	375
	Sales of goods and services	1,815	1,500
ii. Key management personnel	Short term employee benefits	3,609	1,202
	Post employment benefits	-	903
	Advances	651	1,198
	Unaudited September 30, 2011 (Rupees in thousand)		Audited June 30, 2011
Period end balances			
Receivable from related parties		962,063	950,069
Payable to related parties		3,066	-

All transactions with related parties have been carried out on commercial terms and conditions.

#### 15. Cash (used in) / generated from operations

Loss before tax	(646,487)	(122,137)
Adjustment for:		
Depreciation on:		
- property, plant and equipment	5,354	7,393
- assets subject to finance lease	5,176	5,645
Amortisation on intangible assets	139	234
Loss/ (Gain) on sale of property, plant and equipment	3,106	(265)
Exchange loss on foreign currency convertible bonds	19,978	5,522
Provision for gratuity and leave encashment	2,912	2,379
Finance costs	119,459	87,661
Changes in fair value of investment property	388,505	-
Deferred income	(4,791)	(4,792)
Share of loss of associates	28,258	11,523
(Loss) before working capital changes	(78,391)	(6,837)

Effect on cash flow due to working capital changes:

Decrease in stock-in-trade	66,432	134,449
Increase in trade debts	(42,930)	(35,353)
Decrease in due from related parties	(695)	(694)
Increase in advance against purchase of property	-	(3,417)
Increase in advances, deposits and other receivables	(30,891)	(51,021)
Increase in creditors, accrued and other liabilities	24,844	4,130
	16,760	48,094
	(61,631)	41,257



## 16. Operating Segments

Operating segments and basis of determination of operating segments are same as disclosed in audited consolidated annual financial information of the Group for the year ended June 30, 2011.

## 16.1 Segment information

16.1 Segment information	Segment information	(Rupees in thousands)					
		Real estate sales		Investment properties		Others	
		Quarter ended		Quarter ended		Quarter ended	
		September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	Segment revenue	27,600	10,000	6,284	160,511	38,368	57,447
	Segment expenses						
	- Cost of sales	(27,750)	(7,200)	-	(137,647)	-	(6,992)
	- Stores operating expenses	(26,214)	(1,873)	(5,968)	(20,057)	(36,440)	(21,205)
	Gross (loss) / profit	(26,364)	927	316	2,807	1,928	29,250
	- Changes in fair value of investment property	-	-	(388,505)	-	-	-
	<b>Segment results</b>	<b>(26,364)</b>	<b>927</b>	<b>(388,189)</b>	<b>2,807</b>	<b>1,928</b>	<b>29,250</b>
	Administrative and selling expenses						
	Other operating income						
	Finance costs						
	Other operating expenses						
	Share of loss of associates						
	<b>Loss before tax</b>						
	<b>Taxation</b>						
	- Group						
	- Associated companies						
	<b>Loss for the period</b>						

## 17. Detail of subsidiaries

Name of the Subsidiary	Accounting period end	Percentage of holding	Country of Incorporation
Pace Woodlands (Private) Limited	30-Sept-11	52%	Pakistan
Pace Gujrat (Private) Limited	30-Sept-11	100%	Pakistan

**18. Date of authorisation**

This condensed consolidated interim financial information was approved and authorised for issue on October 27, 2011 by the Board of Directors of the Company.

## 19. Corresponding figures

Corresponding figures in the consolidated condensed interim balance sheet comprise of balances as per the consolidated annual audited financial statements of the Group for the year ended June 30, 2011 and corresponding figures in the consolidated condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement comprise of balances of comparable period of the immediately preceding financial year i.e. quarter ended September 30, 2011. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation, however, no significant rearrangements have been made.