

# DIRECTORS' REPORT

## FINANCIAL RESULTS

The Directors of Allied Management Services (Pvt.) Limited are pleased to present the 14th Annual Report together with the Audited Accounts of the company for the year ended June 30, 2006.

Rupees	2006	2005
Aggregate losses for the year	(20,634)	(83,143)
Unappropriated profit brought forward	1,443,920	1,527,063
Unappropriated profit carried forward	1,423,286	1,443,920
Loss per share	(0.003)	(0.01)
Net asset value per share	21.18	7.12

The Company sustained a net loss of Rs. 20,634/- after charging an amount of Rs. 211,900/- on account of administrative expenses. Due to losses, no provision for taxation has been made in the current year.

Being the Management Company of First Allied Bank Modaraba (FABM), it is entitled to charge upto 10% of the annual profit of Modaraba as Management Fee. However, it has not charged any amount on this account only to facilitate the Modaraba in reducing its accumulated losses. The other source of income is from profit earned on funds invested with Allied Bank Limited (ABL) and during the year the company earned a profit of Rs. 191,266/- on such investment of Funds.

Subsequent to the date of Balance Sheet and as a consequence of amalgamation of FABM (managed by the Company) with and into ABL, the Company received 1,680,000 ABL Shares in exchange of seven (7) million FABM Certificates held by it. The ABL Shares so received has been sold to the Pension Fund of ABL employees at current market rate. The transaction has been executed at fair price and at arms length in the interest and benefit of the employees of the Holding Company hence no violation of any law.

The Company shall however book a capital gain of Rs. 74.400 million on this transaction

On behalf of the Board

**Sharique Umer Farooqui**  
Chief Executive

Dated: September 30, 2006  
Place: Karachi