

The Board of Directors of Allied Management Services (Pvt.) Limited are pleased to present the 13th Annual Report together with the Audited Accounts of the company for the year ended June 30, 2005.

	2005 Rupees	2004 Rupees
FINANCIAL RESULTS:		
Loss for the year	(83,143)	(300,573)
Taxation	-	-
Loss for the year after tax	(83,143)	(300,573)
Unappropriated profit brought forward	1,527,063	1,827,636
Unappropriated profit carried forward	1,443,920	1,527,063
Earning per share	(0.01)	(0.05)
Net asset value per share	7.12	8.26

The company suffered a loss of Rs. 83,143/= after charging an amount of Rs. 176,250/= on account of Administrative expenses and hence no provision for taxation was made in the current year. The Board of Directors in its 48th Meeting held on September 21, 2004 decided to transfer the fixed assets of the Company to First Allied Bank Modaraba at book value and no expenses should be charged to the Company except the Auditors' remuneration, Retainership fee, Annual renewal fee and Legal and professional charges remuneration, Retainership fee, Annual renewal fee and Legal and professional charges in respect of the tax and other legal issues of the Company.

During the year, the company invested its funds in Certificates of Islamic Investment Meezan Bank and earned a profit of Rs. 92,369/= on such certificates.

The investment of the Company in Certificates of First Allied Bank Modaraba has been remeasured to fair value as per IAS 39 due to which an impairment loss of Rs. 19.400 million has been recognized thereby reducing the amount of investment from Rs. 60.000 million to Rs. 40.600 million. The resultant impairment loss has been adjusted directly through the Equity of the Company retrospectively to comply with the requirement of IAS 8.

The main source of Income is the dividend on its investment in First Allied Bank Modaraba and the management fee from the Modaraba. The management company is entitled to charge upto 10% of the annual profit of Modaraba as management fee but it has sacrificed its share to facilitate FABM in reducing Accumulated Losses. The management fee hence has not been received.

The primary objective of Allied Management Services (Private) Limited - wholly owned subsidiary of Allied Bank Limited is to manage and run First Allied Bank Modaraba.

Karachi:

Dated: September 28, 2005