

DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management Private Limited has pleasure in presenting the un-audited accounts of First UDL Modaraba for the quarter ended September 30, 2010.

Review of Operations:

During the period under review the Modaraba's profit stood at Rs.23.118 million compared to Rs.19.007 million in the comparative quarter last year. The main contributories to the revenue of the Modaraba continue to be Ijarah, Musharika and Investment in shares and certificates.

Acknowledgement:

The Board places on record its appreciation for guidance and support received from Securities & Exchange Commission of Pakistan and State Bank of Pakistan.

The Directors also acknowledge with thanks the support of the certificate holders for their continued confidence and to the members of staff for their untiring efforts and dedication.

For and on behalf of the Board

Chief Executive

29-Oct-10

FIRST UDL MODARABA
BALANCE SHEET (Un-audited)
AS AT SEPTEMBER 30, 2010

	Sept. 2010	June 2010
	Rupees in '000'	
Capital and reserves		
Authorised 50,000,000 Modaraba Certificates of Rs.10/- each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up	<u>263,866</u>	263,866
Statutory reserves	<u>161,537</u>	161,537
Unrealized gain on re-measurement of available for sale investments	<u>193</u>	487
Accumulated profit	<u>72,394</u>	49,275
	<u>497,990</u>	475,165
Non - Current liabilities		
Long term security deposits	<u>21,336</u>	18,797
Deferred liabilities	<u>105,170</u>	105,170
	<u>126,505</u>	123,967
Current liabilities		
Current portion of long term liabilities	<u>8,710</u>	7,011
Payable to management company	<u>5,222</u>	13,731
Accrued & other liabilities	<u>21,549</u>	20,422
	<u>35,481</u>	41,164
	<u>659,977</u>	<u>640,296</u>
Non - Current assets		
Fixed Assets - Tangible		
Assets in own use	<u>2,716</u>	2,704
Assets leased out	<u>101,788</u>	93,514
Long term advances and deposits	<u>74</u>	74
Long term investments	<u>67,825</u>	87,197
	<u>172,403</u>	183,489
Current assets		
Stock in trade	<u>10,277</u>	10,277
Ijarah rental receivable	<u>6,763</u>	4,871
Musharika receivable	<u>336,502</u>	327,686
Financial assets	<u>52,486</u>	16,852
Advances	<u>5,724</u>	5,454
Prepayments & other receivable	<u>39,178</u>	30,328
Cash and bank balances	<u>36,644</u>	61,339
	<u>487,574</u>	456,807
	<u>659,977</u>	<u>640,296</u>

Chief Executive

Director

Director

FIRST UDL MODARABA
PROFIT AND LOSS ACCOUNT(Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

Sept. 2010 Sept. 2009

Rupees in '000'

REVENUES

- Ijarah Operation
- Musharika
- Investments
- Other sources

14,500	13,305
11,400	11,068
12,586	-
111	1,065
38,596	25,438

EXPENSES

- Administrative expenses
- Amortization on assets leased out

5,539	2,835
12,210	11,069
17,748	13,904
20,848	11,534

OPERATING PROFIT

Unrealized gain / (loss) on re-measurement of investments
at fair value through profit or loss

(144) 2,184

Impairment loss on investments classified as available for sale

- (326)

Share of profit from associates (Unrealized)

2,415 5,615

Profit for the quarter

23,118 **19,007**

Earning per certificate-basic & diluted

0.88 **0.72**

Chief Executive

Director

Director

FIRST UDL MODARABA
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	Sept. 2010	Sept. 2009
	<u>Rupees in '000'</u>	
Other comprehensive income	23,118	19,007
Unrealised (loss) / gain on remeasurement of available for sale investment	(293)	260
Taxation relating to component of other comprehensive income	-	-
Other comprehensive income	<u>(293)</u>	<u>260</u>
Total comprehensive income	<u><u>22,825</u></u>	<u><u>19,267</u></u>

Chief Executive

Director

Director

**FIRST UDL MODARABA
CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010**

	September 2010	September 2009
	Rupees '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	23,118	19,007
Adjustment for :-		
Depreciation on own assets	219	122
Amortization on assets leased out	12,210	11,069
Unrealized loss/(gain) on investments -held for trading	144	(2,184)
Unrealized loss on remeasurement of investments-held to maturity	293	-
Share of profit from associates	(2,415)	(5,615)
	<u>10,451</u>	<u>3,392</u>
Operating profit before working capital changes	33,570	22,399
(Increase) in current assets		
Stock in trade	-	(1,419)
Ijarah rental receivable	(1,892)	(1,322)
Musharika receivable	(8,816)	(2,193)
Financial assets	(35,634)	(2,183)
Advances, deposits, prepayments & other receivables	(9,120)	(451)
	<u>(55,461)</u>	<u>(7,568)</u>
Increase in current liabilities		
Creditors, accrued charges & other liabilities	2,826	1,175
Current portion on long term liabilities	(8,509)	1,660
	<u>(5,683)</u>	<u>2,835</u>
Income tax paid	-	-
Net Cash flow from Operating Activities	<u>(27,574)</u>	<u>17,667</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets leased out	(20,484)	(8,880)
Purchase of fixed assets - own	(230)	-
Long-term investment held to maturity	21,055	326
Proceeds from assets leased out	-	1,347
Net cash flow from investing activities	341	(7,207)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term security deposits	2,539	348
Net cash flow from financing activities	<u>2,539</u>	<u>348</u>
Net cash flow for the period	(24,695)	10,808
Bank balance at the beginning of the period	61,339	59,740
	<u>36,644</u>	<u>70,548</u>

Chief Executive

Director

Director

FIRST UDL MODARABA
STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

PARTICULARS	Certificate Capital	Statutory Reserves	Unrealized gain/ (loss) on remeasurement of available for sale investment	Accumulated Profit / (Loss)	TOTAL
	RUPEES in ('000")				
Balance as at July 01, 2009	263,866	146,307	24	40,124	450,321
Other comprehensive income for the year ended June 30, 2009	-	-	462	50,768	51,230
Profit distribution in cash	-	-	-	(26,386)	(26,386)
Transferred to statutory reserve	-	15,230	-	(15,230)	-
Balance as at June 30, 2010	263,866	161,537	486	49,276	475,165
Profit for the period	-	-	-	23,118	23,118
Other comprehensive income for the year ended September 30, 2010	-	-	(293)	-	(293)
Balance as at September 30, 2010	263,866	161,537	193	72,394	497,990

Chief Executive

Director

Director

FIRST UDL MODARABA
NOTES TO THE ACCOUNTS
AS AT SEPTEMBER 30, 2010 (Un-audited)

1 LEGAL STATUS AND NATURE OF THE BUSINESS

First UDL Modaraba (the Modaraba) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under, having its registered office at 1st floor, N.I.C. Building, Abbasi Shaheed Road, off Shahrah-e-Faisal, Karachi and is managed by UDL Modaraba Management (Private) Limited, a company incorporated in Pakistan. It is a perpetual, multipurpose and multidimensional Modaraba and is engaged in providing finance on Murabaha and Musharaka arrangements, Ijarah, commodity trading and trading in listed and non-interest bearing securities. The Modaraba is listed on Karachi, Islamabad and Lahore Stock Exchanges.

2 BASIS OF PREPARATION

These financial statements comprise balance sheet, profit and loss, statement of comprehensive income, statement of cash flows, statement of changes in equity and explanatory notes and have been prepared under the historical cost convention except for: investments - available for sale and investment - at fair value through profit or loss have been recognised at fair value and staff benefit have been recognised at value determined by the actuary.

3 STATEMENT OF COMPLIANCE

- 3.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Ordinance, 1984, provisions of and directives issued under the Modaraba Companies Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Companies Ordinance, 1984 shall prevail.
- 3.2 The Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 10 of 2004 dated 13 February has deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on Modarabas with effect from 1st July 2003 and advised the management companies of Modarabas that they may continue to prepare the financial statements of the Modarabas with out applying the requirements of said IAS to the Modarabas. However, the requirements of above IAS have been considered for the purpose of preparations of these financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

All the accounting policies applied are in consistent with those of the annual financial statements for the year ended June 30, 2010, as described in those annual financial statements.

	Note	Sept.2010	June, 2010
Rupees in '000'			
5 CREDITORS, ACCRUED & OTHER LIABILITIES			
Accrued expenses		6,126	4,338
Other liabilities			
Provision for taxation		4,313	4,312
Unclaimed profit distribution		9,015	9,040
Others		2,095	2,732
		21,549	20,422

6 LONG TERM INVESTMENTS

Unless otherwise stated, holdings are in ordinary certificates / shares of Rupees 10 each.

Associated Undertaking	6.1	64,704	83,782
Listed companies	6.2	3,121	3,414
		67,825	87,196

6.1 Associated undertakings

	30-Sep-10				
	Rupees in '000'				
	Searle Pakistan Limited	United Distributors Pakistan Limited	United Brands Limited	IBL Healthcare Limited	Total
Opening Balance	63,169	9,646	444	10,523	83,782
Share of profit from associates	3,024	(785)	10	165	2,415
Deletions during the period	21,493	-	-	-	21,493
	44,700	8,861	454	10,688	64,704

	30-Jun-10				Total
	Searle Pakistan Limited	United Distributors Pakistan Limited	United Brands Limited	IBL Healthcare Limited	
Opening Balance	46,171	12,807	434	10,279	69,691
Share of profit from associates	19,179	(2,497)	10	244	16,936
Dividend Income	(2,181)	(664)	-	-	(2,845)
	63,169	9,646	444	10,523	83,782

Summarized financial statements of associates are as follows:

	30-Sep-2010			
	Searle Pakistan Limited	United Distributors Pakistan Limited	United Brands Limited	IBL Healthcare Limited
Share capital- ordinary shares of Rs. 10 each	30,627	9,184	1,200	20,000
Total assets	3,206,187	876,439	246,021	340,666
Total liabilities	1,671,843	716,297	254,808	86,373
Net assets	1,534,344	160,142	(8,787)	254,293
Revenue	881,053	351,446	210,785	142,977
Profit for the year-after tax	85,194	(9,874)	2,168	6,175
Number of shares held	1,085,900	729,862	5,500	535,854
Ownership interest	3.55%	7.95%	0.46%	2.68%

Financial results based on the estimated basis.

	30-Jun-2010			
	Searle Pakistan Limited	United Distributors Pakistan Limited	United Brands Limited	IBL Healthcare Limited
Share capital- ordinary shares of Rs. 10 each	30,627	9,184	1,200	20,000
Total assets	2,886,884	935,283	198,694	371,393
Total liabilities	1,345,854	765,268	193,703	123,275
Net assets	1,541,030	170,015	4,991	248,118
Revenue	3,680,213	1,143,401	828,830	475,248
Profit for the year-after tax	357,164	(31,405)	2,252	9,093
Number of shares held	1,645,900	729,862	5,500	535,854
Ownership interest	5.37%	7.95%	0.46%	2.68%

Financial results based on the information available as on June, 30 2010 June, 30 2010 June, 30 2010 June, 30 2010

	No. of shares / certificates		Note	Sept.2010	June, 2010
	Sept. 10	June. 10		Rupees in '000'	
6.2 Listed companies					
Gillette Pakistan Limited	1,000	1,000		67	64
Nimir Industrial Chemicals Limited	204,022	204,022		273	324
Security Leasing Corporation Ltd	858,935	858,935		2,061	2,440
International Knitware	72,025	72,025		720	586
				<u>3,121</u>	<u>3,414</u>
7 FINANCIAL ASSETS - INVESTMENTS					
'- at fair value through profit or loss					
Associated companies			7.1	30,342	747
Listed companies			7.2	22,144	-
				<u>52,486</u>	<u>747</u>
7.1 Associated company					
United Brands Limited	54,892	21,000		1,898	747
Searl Pakistan Limited	457,737	-		28,444	-
				<u>30,342</u>	<u>747</u>
7.2 Listed companies					
Al-Zamin Leasing Corporation Ltd	321	321		1	1
Hajra Textile Limited	15,000	15,000		11	10
Saif Textile Mills Limited	31,461	31,461		139	78
Nestle Pakistan Limited	300	888		571	1,496
Gillette Pakistan Limited	171,612	170,000		11,392	10,880
Unicap Modaraba	36,500	36,500		9	5
Lotte Pakistan PTA Limited	25,000	25,000		212	201
Lafarge Pakistan Cement Limited	316,853	200,000		897	548
TRG Pakistan Limited	100,000	100,000		427	411
Pakistan Telecommunication Comp:	75,000	75,000		1,406	1,335
Telecard	100,000	100,000		213	266
WorldCall Telecom Limited	400,000	300,000		964	873
International Knitware	29,940	-		299	-
Fatima Fertilizer Company	50,000	-		551	-
Lucky Cement Company Limited	5,000	-		354	-
Pakistan Oilfields limited	15,000	-		3,519	-
Nishat Mills Limited	25,000	-		1,179	-
				<u>22,144</u>	<u>16,104</u>

The values of all shares / certificates are of the nominal value of Rs. 10 each.

8 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the management Company have approved dividend at the rate of Re.1.25per certificate for the year ended 30 June, 2010, resulting in a total distribution of profit amounting to Rs.32,983,236/= in their meeting held on October 07, 2010 which is more than 90% of the net profit for the year ended 30 June, 2010.

9 GENERAL

- The figures have been rounded off to the nearest thousand rupee.
- Prior year figures have been re-arranged where necessary for the purpose of comparison.

Chief Executive

Director

Director