

# **AMZ Plus Income Fund**

**Quarterly Accounts  
For the quarter ended  
September 30, 2010**

Managed by

**Crosby Asset Management (Pakistan) Limited**

*10<sup>th</sup> Floor, PRC Towers, MT Khan Road, Karachi*

*UAN: 021-111-369-111*

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**AMZ PLUS INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT 30 SEPTEMBER 2010**

	Note	30 September 2010 (Rupees in '000) (Un-Audited)	30 June 2010 (Audited)
<b>ASSETS</b>			
Bank balances	6	5,253	594
Placements	7	100,000	100,000
Investments	8	50,461	83,705
Mark-up / interest receivable	9	514	6,439
Deposits	10	3,600	3,600
<b>TOTAL ASSETS</b>		<b>159,828</b>	194,338
<b>LIABILITIES</b>			
Annual fee payable to Securities and Exchange Commission of Pakistan		-	255
Payable against redemption of units		28	-
Accrued expenses and other liabilities	11	1,955	4,138
<b>TOTAL LIABILITIES</b>		<b>1,983</b>	4,393
<b>NET ASSETS</b>		<b>157,845</b>	189,945
<b>Unit Holder's Funds</b>		<b>157,845</b>	189,945
		<b>(Number of Units)</b>	
<b>Number of units in issue</b>		<b>2,857,230</b>	2,857,230
		<b>(Rupees)</b>	
<b>Net Asset Value per unit</b>		<b>55.24</b>	66.48

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**AMZ PLUS INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**  
**(UNAUDITED)**

	Note	30 September 2010 (Rupees in '000)	30 September 2009
<b>INCOME</b>			
Mark-up / interest income	12	2,631	17,521
Unrealised loss on Investments at fair value through income statement – net		-	(147)
Provision for impairment against investments classified as 'available for sale'		(33,244)	(3,835)
Provision for impairment against markup income receivable		(3,446)	-
Other income		2,285	-
<b>Total income</b>		<b>(31,774)</b>	13,539
<b>EXPENSES</b>			
Remuneration to the management company		-	1,681
Remuneration payable to the trustee		-	224
Annual Fee - Securities and Exchange Commission of Pakistan		-	84
Custody and settlement charges		3	65
Fees and subscription		73	88
Legal and professional charges		150	20
Amortisation of preliminary expenses and floatation costs		-	96
Auditor's remuneration	13	100	48
<b>Total expenses</b>		<b>326</b>	2,306
<b>NET (LOSS) / INCOME</b>		<b>(32,100)</b>	11,233

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**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**AMZ PLUS INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**  
**(UNAUDITED)**

	30 September 2010	30 September 2009
	(Rupees in '000)	
Net (loss) / income for the period	(32,100)	11,233
Other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u><b>(32,100)</b></u>	<u><b>11,233</b></u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**AMZ PLUS INCOME FUND**  
**CONDENSED INTERIM DISTRIBUTION STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 2010**  
**(UNAUDITED)**

	<b>30 September 2010</b>	<b>30 September 2009</b>
	<b>(Rupees in '000)</b>	
Undistributed loss brought forward	<b>(161,018)</b>	(148,008)
Net (loss) / income for the period	<b>(32,100)</b>	11,233
	<hr/>	<hr/>
<b>Undistributed loss carried forward</b>	<b><u>(193,118)</u></b>	<b><u>(136,775)</u></b>

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**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

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**Chief Executive**

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**Director**

**AMZ PLUS INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**  
**(UNAUDITED)**

Note	30 September 2010	30 September 2009
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	(32,100)	11,233
<b>Adjustments for:</b>		
Mark up / interest income on investments, bank balances and term deposit	(2,631)	(17,521)
Unrealised loss on Investments at fair value through income statement – net	-	147
Amortisation of preliminary expenses and floatation cost	-	96
Reversal of provision / provision against non-performing assets	33,244	-
	<u>(1,487)</u>	<u>(6,045)</u>
<b>(Increase) / decrease in assets</b>		
Investments	-	33,840
Deposit and other receivables	-	(31)
	-	33,809
<b>Increase / (decrease) in liabilities</b>		
Remuneration payable to the management company	-	(51)
Annual fee payable to Securities and Exchange Commission of Pakistan	(255)	(1,600)
Remuneration payable to the trustee	-	(1)
Payable to unit holders against redemption of units	28	69,219
Accrued expenses and other liabilities	(2,183)	(69,023)
	<u>(2,410)</u>	<u>(1,456)</u>
Purchase of securities	-	-
Proceed from sale of securities	-	-
Markup / interest income received	8,556	23,131
	<u>4,659</u>	<u>49,439</u>
<b>Net cash generated from operating activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	139	-
Payments for redemption of units	(139)	-
	-	-
<b>Net cash used in financing activities</b>		
Net decrease in cash and cash equivalents	4,659	49,439
Cash and cash equivalents at beginning of the period	594	9,657
<b>Cash and cash equivalents at the end of the period</b>	<u>5,253</u>	<u>59,096</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**AMZ PLUS INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**  
**(UNAUDITED)**

	<b>30 September 2010</b>	<b>30 September 2009</b>
	(Rupees in '000)	
<b>Net assets at the beginning of the period</b> <b>[Rs. 66.48 per unit]</b>	189,945	360,947
Cash received / receivable against sale of units *	139	-
Cash paid / payable on redemption of units**	(139)	-
	-	-
Net (loss) / income for the period	(32,100)	11,233
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	(32,100)	11,233
<b>Net assets at the end of the period</b> <b>[Rs. 55.24 per unit]</b>	157,845	372,180

**Number of units**

* Number of units issued	2,089	-
** Number of units redeemed	2,089	-

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**For Crosby Asset Management (Pakistan) Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**AMZ PLUS INCOME FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**  
**(UN-AUDITED)**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

AMZ Plus Income Fund (the Fund) was established under a Trust Deed executed between AMZ Asset Management Limited (AAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 1 December 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Constitutive documents of the Fund (Trust Deed and Offering Document) were amended by the Management Company with the approval of the Trustee and SECP through Supplemental Trust Deed and Offering Document dated 27 May 2008. The Offering Document was further amended vide second supplemental Offering Document and addendum to the Offering Document dated 8 August 2008 and 15 September 2008 respectively.

Management rights of the fund has been transferred from AMZ Asset Management Limited to Crosby Asset Management (Pakistan) Limited (CAMPL) through a tripartite agreement between AAML, CAMPL and CDC dated 29 January 2010 with the resolution of majority of the unit holders and approval of the SECP.

An amendment in Trust Deed was accordingly made which was registered with the SECP.

The Management Company of the Fund has been licensed to act as an Asset Management Company under NBFC Rules. The registered office of the Management Company is situated at PRC Towers, M.T. Khan Road, Karachi, Pakistan.

**2. RESTRUCTURING OF THE FUND**

The Unit holders of the Fund had approved the proposal for restructuring of the Fund in the meeting held on 08 January 2010 and the proposal was approved by over 96% of the unit holders. The restructuring of the Fund involves the following:

- i. Sell underlying instruments at best possible market price without forced selling. Complete process within three months and transfer cash generated in the Fund to Crosby Phoenix Fund (CPF), an income fund under the management of CAML on pro-rata basis.
- ii. To enable the Fund's unit holders to start earning immediately, cash generated in the Fund will be transferred into CPF in two parts. The first part will be within the first month of transfer of management rights to CAML (approximately Rs.100 million will be transferred to CPF). The second part will be within/after the completion of the three months restructuring period (roughly Rs.70-80 million may be transferred).
- iii. The cash transferred will be carried out as redemption in the Fund and subsequent investment in CPF at the respective Transfer Date's NAV of the two Funds. The transfer ratio for each investor will be: Number of units held by each investor / Total number of units of the Fund. This ratio will be applied to the transferred amount in each phase ("Transfer ratio per investor" X "total amount transferred") in order to determine the amount to be transferred for each unit holder.



- iv. Unit holders of the Fund shall be allocated Class B units of CPF with the back-end load (payable to CPF) if redeemed within three months as per the following slabs:

	<b>Back end load applicable</b>
Within first month of transfer into CPF	0.3% of NAV
Within second month of transfer into CPF	0.2% of NAV
Within third month of transfer into CPF	0.1% of NAV
After third month of transfer into CPF	Nil

- v. Remaining instruments within the Fund's portfolio that are not sellable and / or defaulted / doubtful by the end of the three months restructuring period, shall be valued as per the applicable law and the values may be verified by the Fund's external auditors if required. These instruments shall remain in the Fund till such time that a reasonable market price is available or the maturity of the underlying assets, where the last instrument within the Fund's portfolio matures on 7 July 2014 or the legal / litigation cases, if any, are resolved.
- vi. The Fund will retain its name within this period and will remain closed for all the unit transactions, however, NAV will be provided on monthly basis and quarterly basis cash payments will be made directly to unit holders whenever recoveries are made. This pay out will be on a pro-rata basis and will be treated as proportionate redemption of units for the equivalent amount.

The SECP vide its letter no. SEC/NBFC-II/DD/CAML/2009/37 dated 19 January 2010 confirmed that based on the application filed by AAML and CAML, it has no objection to the transfer of management rights of the Fund to CAML, under regulation 37 (7) (a) of the NBFC and Notified Entities Regulations, 2008, subject to the following conditions:

- a) CAML, CDC and AAML shall execute a supplemental Trust Deed (STD) to incorporate amendments due to change in Management Company.
- b) CAML shall restructure the Fund in accordance with the proposal approved by the majority unit holders (among other conditions as mentioned above, the said proposal mentions that all investments included in the portfolio of the Fund have been valued and / or provisioned in accordance with circular no.1 of 2009 issued by the SECP on 6 January 2009. The fair values at the date of transfer were determined in accordance with the restructuring proposal duly approved by the SECP).
- c) CAML shall actively pursue the matter of the recovery of assets (performing/non-performing) held in the portfolio of the Fund and shall submit progress report to the Commission, Trustee and the unit holders on monthly basis.
- d) CAML shall submit daily statement of assets and liabilities of the Fund and the provisioning made against non-performing assets to the Commission. Moreover, the provisioning shall be made only in accordance with the circulars / directions issued by the Commission.
- e) CAML shall not charge any fees (except legal & audit fees) to the Fund after completion of the three months restructuring period in accordance with the proposal approved the majority unit holders. However, during the restructuring period, the management fee charged by CAML shall not be higher than the fee charged by AAML; and
- f) The redemption requests from the individual unit holders of the Fund shall be honored by CAML as and when received.

AAML and its legal successor, unconditionally undertake, that in the event any individual unit holder of the Fund wants to exit from the Fund at any time during its existence AAML and its legal successor will be liable to buyback those units without any delay or otherwise the payment shall be adjusted against the Units of AAML held in CPF. In this regard, AAML shall mark a lien in favor CAMPL on its entire units held in APIF and CPF till such time that APIF exists.

SECP accorded its approval to the supplemental Trust Deed vide its letter no. SEC/NBFC-II/DD/ CAML/ 2009/66 dated 26 January 2010.

A tripartite agreement between CAML, CDC and AAML for the change of management of the Fund was signed on 29 January 2010 and the management rights of the Fund were transferred to CAML effective from the said date.

**3. STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard – 34 “Interim Financial Reporting” as applicable in Pakistan.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2010.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

**4. BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except for investments.

These financial statements have been presented in Pakistan Rupees which is the functional and presentation currency of the Fund.

**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 30 June 2010.

	Note	30 September 2010 (Rupees in '000) (Un-Audited)	30 June 2010 (Audited)
<b>6. BANK BALANCES</b>			
PLS savings account	6.1	5,253	594
		5,253	594

6.1 These carry mark-up rates ranging from 5% to 11.25% per annum. (30 June 2010: 4.89% to 11.5%).

	Note	30 September 2010 (Rupees in '000) (Un-Audited)	30 June 2010 (Audited)
<b>7. PLACEMENTS</b>			
Orix Leasing Pakistan Limited	7.1	100,000	100,000
		100,000	100,000

7.1 This carries mark-up rate of 10.41% per annum. (30 June 2010: 10.07%) maturing in March 2011.

**AMZ Plus Income Fund**

	Note	30 September 2010 (Rupees in '000) (Un-Audited)	30 June 2010 (Audited)
<b>8. INVESTMENTS</b>			
<b>Available-for-sale</b>			
- Sukuk certificates	8.2	26,500	46,340
- Preference shares	8.3	21,086	34,490
		47,586	80,830
<b>Held to maturity</b>			
- Certificate of Investment (COI)	8.4	2,875	2,875
		50,461	83,705
<b>8.1 Cost of investments as at 30 September / 30 June</b>		299,243	299,243

**8.2 Sukuk Certificates**

All sukuk certificates have a face value of Rs. 5,000 each

Name of security	Note	As at 01 July 2010	Purchas ed during the period	Sold during the period	As at 30 Septem ber 2010	Carrying Value as at 30 September 2010	Percentage of total investments on the basis of carrying value	Percentage of investment in relation to net assets of the fund	Percentage of investments in relation to the issued capital of the investee company
						(Rupees in '000)			
						-----Number of certificates -----			
<b>Cable and electronics</b>									
New Allied Electronics (Private) Limited	8.2.1	192,000	-	-	192,000	60,402			
Provision against New Allied Electronics (Private) Limited						(60,402)			
						-	-	-	8.05%
<b>Modaraba</b>									
B.R.R. Guardian Modaraba	8.2.2	10,600	-	-	10,600	46,340			
Provision against B.R.R. Guardian Modaraba						(19,840)			
						26,500	53%	17%	6.62%
<b>Total sukuk certificates</b>						26,500	53%	17%	14.67%

**8.2.1** These certificates are secured against first pari passu charge over all present and future fixed assets with 25% margin and personal guarantee of the sponsoring director.

Owing to financial difficulties, the borrower has defaulted on payment of mark-up and principal. The investment has been classified as non-performing debt security by MUFAP and credit rating of investment has been down graded. A provision of Rs. 60.402 million has been made against these certificates in accordance with the Circular no.1 of 2009 dated 6 January 2009 issued by the SECP.

**8.2.2** These Sukuk certificates carry floating mark-up at six months KIBOR (ask side) plus 130 basis points per annum, receivable semi-annually in arrears with no floor or cap and will mature in July 2014. These are secured against investment properties of the Modaraba. These certificates are rated as non-investment grade by JCR-VIS on 9 July 2010. During the period, a default is made by the borrower in its payment as per the buy out schedule; as a result MUFAP has classified the certificates as non-performing. The investment committee have also regarded this investment as non-performing in the current period. A provision of Rs. 3.94 million has been created in line with Circular no. 1 of 2009 dated 06 January 2009 issued by SECP and an additional provision of 15.9 million by the Management has been made as per the provisioning policy of the Fund prepared in compliance with Circular no. 3 of 2010 dated 20 January 2010. The Management has reversed the accrued mark-up on the outstanding principal of Rs. 3.446 million in these financial statements.

**AMZ Plus Income Fund**

	<b>30 September 2010 (Rupees in '000) (Un-Audited)</b>	<b>30 June 2010 (Audited)</b>
<b>8.2.3 Movement in provision for impairment</b>		
Opening balance	60,402	51,881
(Reversal) / Charge for the period / year in respect of		
New Allied Electronics (Private) Limited	-	8,521
B.R.R. Guardian Modaraba	19,840	-
Closing Balance	<u>80,242</u>	<u>60,402</u>

**8.3 Preference shares**

Name of security	Note	As at 01 July 2010	Purchased during the period	Sold during the period	As at 30 September 2010	Carrying Value as at 30 September 2010	Percentage on the basis of total investments	Percentage of investment in relation to net assets of the fund	Percentage of investments in relation to the issued capital of the investee company
						(Rupees in '000)			
<b>Unquoted</b>						-----Number of shares -----			
First Dawood Investment Bank Limited (FDIBL)	8.3.1	3,044,380	-	-	3,044,380	30,444			
Provision against First Dawood Investment Bank Limited						(16,367)			
						14,077	28%	9%	4.86%
Trust Investment Bank Limited (TIBL)	8.3.2	13,000,000	-	-	13,000,000	130,000			
Provision against Trust Investment Bank Limited						(122,991)			
						7,009	14%	4%	14.57%
						<u>21,086</u>	<u>42%</u>	<u>13%</u>	<u>19.43%</u>

**8.3.1** These are 5 years convertible, cumulative, non-voting, non participatory, callable preference shares carrying fixed dividend of 4% per annum on a cumulative basis payable annually. Call option for redemption of preference shares can be exercised by the borrower after two years from the date of issuance of preference shares at par value. A conversion option is also available to the Fund for conversion of preference shares into ordinary shares of FDIBL at par value exercisable at any time after the date of issuance of preference shares until the exercise of call option. Furthermore; the issuer, upon receiving the conversion notice from the investor, has an option to call the preference shares along with cumulative dividend..

These preference shares have been valued at break-up value of 4.62 per share of FDIBL as per the audited accounts for the year ended 30 June 2010 in line with Regulation 66(j) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and as per the discussion of the management of the Fund with SECP.

**8.3.2** These are non-listed cumulative, redeemable, convertible and non-voting preference shares carrying dividend equal to one year KIBOR plus 100 basis points per annum on a cumulative basis payable annually. Call option for redemption of preference shares can be exercised by the borrower during a period of three to five years after issuance of the preference shares at issue price. A conversion option is also available to the Fund for conversion of preference shares into ordinary shares of TIBL at the discretion of the Fund between three to five years from the issuance date of preference shares at a conversion ratio defined in term sheet..

These preference shares have been valued on the basis of the break-up value of Rs. 0.54 per share of TIBL as per audited financial statements for the year ended 30 June 2010 in line with Regulation 66(j) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and as per the discussion of the management of the Fund with SECP.

The management is of the view that if an alternate valuation model had been used for the valuation of these preference shares the investments and net assets of the Fund had been lower and the net loss for the year had been higher. However, the impact of such decline cannot be quantified.

**AMZ Plus Income Fund**

		<b>30 September 2010</b>	<b>30 June 2010</b>
		<b>(Rupees in '000)</b>	
	<b>Note</b>	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>8.3.3 Movement in provision for impairment</b>			
Opening balance		125,954	-
(Reversal) / Charge for the period / year in respect of			
First Dawood Investment Bank Limited		(14,077)	30,444
Trust Investment Bank Limited		27,481	95,510
Closing Balance		<u>139,358</u>	<u>125,954</u>
<b>8.4 Certificate of Investment (COI)</b>			
Security Leasing Corporation Limited	8.4.1	25,000	25,000
Provision against Security Leasing Corporation Limited		(22,125)	(22,125)
		<u>2,875</u>	<u>2,875</u>

**8.4.1** This represents unsecured certificate of investment of Security Leasing Corporation Limited (SLCL) amounting to Rs. 100 million invested by the Fund on 15 August 2007 for a period of two years. However, on 13 August 2009, the payment plan was rescheduled whereby, Rs. 10 million was payable up-front together with outstanding mark-up amounting to Rs. 5.836 million as of June 2009 and the remaining principal of Rs. 90 million on a weekly basis upto April 2010. However, after March 2010 no payments have been received by the fund and a memorandum of understanding has been signed between the fund and investee company to issue preference shares in lieu of the outstanding amount of Rs. 25 million subject to the approval of SECP. As at 30 June 2010 the entity is rated CCC by JCR-VIS.

The Fund has made a provision of Rs. 22.125 million against these COIs keeping in view the financial difficulties of the SLCL.

		<b>30 September 2010</b>	<b>30 June 2010</b>
		<b>(Rupees in '000)</b>	
		<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>8.4.2 Movement in provision for impairment</b>			
Opening balance		22,125	60,000
(Reversal) / Charge for the period / year in respect of			
Trust Investment Bank Limited		-	(55,000)
Security Leasing Corporation Limited		-	17,125
Closing Balance		<u>22,125</u>	<u>22,125</u>

**8.5** Details of Non-compliant investments with the investment criteria of assigned category, constitutive documents and the NBFC Regulations 2008:

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	% of Net Assets	% of Gross Assets
		----- (Rupees in '000) -----				
Orix Leasing Pakistan Limited	Placement	100,000	-	100,000	63%	63%
B.R.R. Guardian Modaraba	Sukuk	46,340	(19,840)	26,500	17%	17%

**AMZ Plus Income Fund**

**9. MARK-UP/ INTEREST RECEIVABLE**

	30 September 2010 (Rupees in '000) (Un-Audited)	30 June 2010 (Audited)
On		
- Bank balance	29	-
- Placements	485	2,993
- Investments		
Sukuk certificates	-	3,446
	<b>514</b>	<b>6,439</b>

**10. DEPOSITS**

**Security deposit with**

Central Depository Company of Pakistan Limited	100	100
National Clearing Company of Pakistan Limited	3,500	3,500
	<b>3,600</b>	<b>3,600</b>

**11. ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditors' remuneration	325	225
Tax advisors' remuneration	380	380
WHT payable	-	2,283
Payable to Bank of Punjab	1,250	1,250
	<b>1,955</b>	<b>4,138</b>

**12. MARK-UP / INTEREST INCOME**

	30 September 2010 (Rupees in '000) (Un-Audited)	30 September 2009 (Un-Audited)
- Bank balance	106	897
- Placements	2,525	2,928
- Investments		
Term Finance certificates and sukuk certificates	-	3,614
Certification of Investment	-	10,082
	<b>2,631</b>	<b>17,521</b>

**13. AUDITORS' REMUNERATION**

Annual audit of financial statements	-	42
Review of financial statements	80	-
Net assets certification	20	6
	<b>100</b>	<b>48</b>

**14. TAXATION**

Based on the expectation of distribution of 90% or more income to the unit holders excluding unrealised / realised gains on investments to enable the Fund to claim exemption allowed by clause 99 of the part I of the second schedule to the Income Tax Ordinance, 2001, no provision for tax has been made in these condensed interim financial statements.

**15. TRANSACTIONS WITH CONNECTED PERSON**

Related parties / connected persons include Crosby Asset Management (Pakistan) Limited being the Management, Crosby Dragon Fund and Crosby Phoenix Fund being other funds manage by Management Company, Central Depository Company of Pakistan Limited being Trustee of the Fund, Fauji Fertilizer Company Limited, Pakistan Petroleum Limited, and Allied Bank Limited being unit holders holding more than 10% of outstanding units as on September 30, 2010 and Key Management personnel of Management Company.

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of NBFCs Regulations, 2008 and the Trust Deed respectively. Transactions with related parties are at arm's length prices. Details of transactions with related parties during the year and balances with them at the year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Details of transactions with related parties and balances with them at the period end are as follows:

	30 September 2010		30 September 2009	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
	------(Unaudited)-----			
<b><u>Other transactions</u></b>				
- AMZ Asset Management Limited Remuneration paid		-		1,681
- Remuneration paid to the Trustee		-		224
<b><u>Balances with Related Parties- Unsecured:</u></b>				
<b><u>Units Held by:</u></b>				
<b><u>Unit holders with holding of 10% and above:</u></b>				
- Fauji Fertilizer Company Limited	563,610	31,134	563,610	47,314
- Pakistan Petroleum Limited	563,611	31,134	563,611	47,314
- Allied Bank Limited	563,126	31,107	563,126	47,274

**16. FINANCIAL RISK MANAGEMENT**

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2010.

**17. DATE OF AUTHORISATION**

These financial statements were authorised for issue by the Board of Directors of the Management Company on \_\_\_\_\_.

**18. GENERAL**

**18.1** Figures have been rounded off to the nearest thousand rupee.

**For Crosby Asset Management (Pakistan) Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director