



UDL INTERNATIONAL LIMITED

May 20, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Karachi.

Subject: **Transmission of Audited Financial Statements for the year ended June 30, 2023 of UDL International Limited ("UDLI")**

We would like to inform you that the Audited Financial Statements for the year ended June 30, 2024 of UDL International Limited ("UDLI") has been transmitted through PUCARS for the information of participants.

The financial statements include consolidated statements with its wholly-owned subsidiary, UDL Financial Services Limited ("UDLFSL").

This disclosure is in compliance with listing requirements for UDL International Limited, specifically related to the merger of First UDL Modaraba with and into UDL International Limited.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

SHUJA MALIK
Chief Executive

UDL INTERNATIONAL LIMITED

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Ibrar Ali and Co.
CHARTERED ACCOUNTANTS

Office # 618, Clifton Center, Block-5, Karachi
Telephone# : 021-35873743
Email : info@ibraralico.com

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF

UDL INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of UDL INTERNATIONAL LIMITED, which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss and other comprehensive income, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows together with the notes forming part thereof conform with the accounting policies as described in note 2 to the financial statements.


Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of Accounting described in Notes to the financial statements; and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless, management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The audit of financial statements of the company for the period ended June 30, 2022 was not conducted.

The engagement partner on the audit resulting in this independent auditor's report is Ibrar Ali.



Ibrar Ali & Co.

Chartered Accountants

Karachi

UDIN: AR202310435Qr2MbK1kp

Dated: November 01, 2023



UDL INTERNATIONAL LIMITED

Statement of Financial Position

As on June 30, 2023

		(Unaudited)	
	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
ASSETS			
Non-Current Assets			
Investment in Subsidiary:			
- UDL Financial Services Limited	4	10,000	-
		<u>10,000</u>	<u>-</u>
Current Assets			
Cash and Bank Balances	5	19,155	100,000
Other Assets	6	336	-
		<u>29,492</u>	<u>100,000</u>
EQUITY AND LIABILITIES			
Equity			
Authorised Share Capital			
50,000 Ordinary Shares of Rs. 10/- each		<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid-up Share Capital		100,000	100,000
(10,000 Ordinary Shares of Rs. 10/- each Fully Paid-up in Cash)			
Unappropriated Losses		<u>(111,008)</u>	<u>-</u>
Total Equity		(11,008)	100,000
Current Liabilities			
Other Liabilities	7	40,500	-
		<u>29,492</u>	<u>100,000</u>
Contingencies and Commitments	8	-	-

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Executive Officer

Director

UDL INTERNATIONAL LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended June 30, 2023

		(Unaudited)	
		For the year ended June 30, 2023	For the period from May 19, 2022 to June 30, 2022
	Note	(Rupees)	(Rupees)
Revenue		-	-
Other Income	9	2,242	-
Administrative and Operating Expenses	10	(113,250)	-
Loss Before Taxation		(111,008)	-
Taxation		-	-
Loss After Taxation		(111,008)	-
Other Comprehensive Income		-	-
Total Comprehensive Loss		(111,008)	-
Loss per Share		(11.10)	-

The annexed notes from 1 to 13 form an integral part of these financial statements.



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Chief Executive Officer

[Signature]

Director

UDL INTERNATIONAL LIMITED
Statement Of Changes In Equity
For the Year Ended June 30, 2023

	Issued, Subscribed and Paid-up Capital	Unappropriated (losses)	Total
	----- (Rupees) -----		
Balance as at 19 May 2022	-	-	-
Share Subscription	100,000	-	100,000
Total Comprehensive Loss	-	-	-
Balance as at 30 June 2022	100,000	-	100,000
Share Subscription	-	-	-
Total Comprehensive Loss	-	(111,008)	(111,008)
Balance as at 30 June 2023	100,000	(111,008)	(11,008)

The annexed notes from 1 to 13 form an integral part of these financial statements.



Sajid Masood

Chief Executive Officer

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Director

UDL INTERNATIONAL LIMITED
Statement Of Cash Flows
For the Year Ended June 30, 2023

	(Unaudited)	
	For the year ended June 30, 2023	For the period from May 19, 2022 to June 30, 2022
	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) Before Taxation	(111,008)	-
Cash used in Operations Before Working Capital Changes	(111,008)	-
Increase / (Decrease) in Current Assets		
Other Assets	(336)	-
Increase / (Decrease) in Current Liabilities		
Accrued and Other Liabilities	40,500	-
Net Cash Used in Operating Activities	(70,845)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Share Subscription in Subsidiary -UDL Financial Services Ltd	(10,000)	-
Net Cash used in Investing Activities	(10,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Share Subscription Money	-	100,000
Net Cash Generated from Financing Activities	-	100,000
Net Increase in Cash and Cash Equivalents	(80,845)	100,000
Cash and Cash Equivalents at the Beginning of the Period	100,000	-
Cash and Cash Equivalents at the End of the Period	19,155	100,000

The annexed notes from 1 to 13 form an integral part of these financial statements.



Sheraz Hanif
 Chief Executive Officer

[Signature]
 Director

UDL INTERNATIONAL LIMITED
Notes to the Financial Statements
For the Year Ended June 30, 2023

1 CORPORATE AND GENERAL INFORMATION

UDL International Limited is a Public Unlisted Company, incorporated in Pakistan on 19th May 2022 under the Companies Act, 2017. The registered office of the Company is located at first floor, Business Enclave, 77-C, 12th Commercial Street, DHA, Phase II Ext. Karachi, Sindh.

The principle activity of the Company is to carry on sale, purchase, import and export, general trading and supply of general orders and commodity products.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprises of:

- Revised Accounting and Financial Reporting Standard for Small and Medium - Sized Entities (Revised AFRS for SME's) issued by the International Accounting Standards Board (IASB), Institute of Chartered Accountants of Pakistan (ICAP) and notified under the Companies Act, 2017; and
- Provision and directive issued under Companies Act, 2017

Where the provision of and directive issued under Companies Act, 2017 differ from the revised AFRS for SME's, the provision and directive issued the under Companies Act, 2017 have been followed.

2.2 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is also the functional currency of the Company and rounded off to the nearest Rupee.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all periods presented, unless otherwise stated.

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation expense is charged to income applying the reducing balance method, at the rates specified, whereby the cost of assets are written off over its estimated useful life.

Depreciation on addition during the year is charged on pro-rata basis when the assets is available for use. Similarly the depreciation on deletion is charged on pro-rata basis up to the period when the assets is derecognized.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gains or losses on disposal of an item of property and equipment is recognized in the profit and loss account.

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Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

3.2 Cash and bank balances

Cash in hand and at banks are carried at cost. For the purposes of cash flow statement, cash and cash equivalent consists of cash in hand and balances with bank net of borrowing not considered to be in nature of financing activities.

3.3 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has legally enforceable right to set off the recognized amount and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Creditors, accrued expenses and other liabilities

Creditors, accrued expenses and other liabilities are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

3.5 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.6 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by the transferring control of a promised goods or services to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and other consideration payable to customers.

Revenue is recognized on performance of services are rendered and delivery of goods to customers.

3.7 Taxation

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in profit and loss account.

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		June 30, 2023	June 30, 2022
	Note	(Rupees)	(Rupees)
4 Investments			
UDL Financial Services Limited		<u>10,000</u>	-
5 CASH AND BANK BALANCES			
Cash in hand		-	99,500
Bank Balance - Saving Accounts	5.1	<u>19,155</u>	<u>500</u>
		<u>19,155</u>	<u>100,000</u>
5.1 These carry profit rates from 5.39% to 6.79%.			
6 OTHER ASSETS			
Withholding Income Tax		<u>336</u>	-
		<u>336</u>	-
7 OTHER LIABILITIES			
Audit Fee Payable		40,000	-
Other Payable		500	-
		<u>40,500</u>	-
8 CONTINGENCIES AND COMMITMENTS			
8.1 There are no contingencies and commitments as at period end.			
		For the year ended June 30, 2023	For the period from May19, 2022 to June 30, 2022
9 OTHER INCOME			
Profit on Saving Account with Bank		<u>2,242</u>	-
10 OPERATING AND ADMINISTRATIVE EXPENSES			
Auditors' Remuneration		100,000	-
Fee and Subscription		13,250	-
		<u>113,250</u>	-
11 NUMBER OF EMPLOYEES			
Number of Employees, average and as at Period End		<u>2</u>	<u>2</u>

12 GENERAL


Figures have been rounded off to nearest Rupee.

13 DATE OF AUTHORISATION

These financial statements have been authorized for issue by the Board of Directors of the Company on behalf of the Company on 01 NOV 2023


Chief Executive Officer




Director

UDL INTERNATIONAL LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

**Ibrar Ali and Co.
CHARTERED ACCOUNTANTS**

Office # 618, Clifton Center, Block-5, Karachi

Telephone # : 021-35873743

Email : info@ibraralico.com

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF

UDL INTERNATIONAL LIMITED

Opinion

We have audited the consolidated financial statements of UDL INTERNATIONAL LIMITED (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, Consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the basis of Accounting described in Notes to the financial statements; and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless, management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The audit of consolidated financial statements of the Group for the period ended June 30, 2022 was not conducted.

The engagement partner on the audit resulting in this independent auditor's report is Ibrar Ali.



Ibrar Ali & Co.

Chartered Accountants

Karachi

UDIN: AR202310435afKyJT4qx

Dated:

02 FEB 2024

UDL INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023


		June 30, 2023	(Unaudited) June 30, 2022
	Note	(Rupees)	(Rupees)
ASSETS			
Current Assets			
Cash and Bank Balances	4	29,155	100,000
Other Assets	5	336	-
Total Assets		<u>29,492</u>	<u>100,000</u>
EQUITY AND LIABILITIES			
Equity			
Authorised Share Capital 50,000 Ordinary Shares of Rs. 10/- each		<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid-up Share Capital (10,000 Ordinary Shares of Rs. 10/- each Fully Paid-up in Cash)		100,000	100,000
Unappropriated Losses		(220,678)	-
Non-Controlling Interest		(330)	-
Total Equity		<u>(121,008)</u>	<u>100,000</u>
Current Liabilities			
Other Liabilities	6	150,500	-
Total Equity and Liabilities		<u>29,492</u>	<u>100,000</u>
Contingencies and Commitments	7	-	-

The annexed notes from 1 to 12 form an integral part of these financial statements.



Chief Executive Officer





Director

UDL INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

		(Unaudited)	
		For the year ended June 30, 2023	For the period from May 19, 2022 to June 30, 2022
	Note	(Rupees)	(Rupees)
Revenue		-	-
Other Income	8	2,242	-
Administrative and Operating Expenses	9	(223,250)	-
Loss Before Taxation		(221,008)	-
Taxation		-	-
Loss After Taxation		(221,008)	-
Profit / (Loss) is Attributable to:			-
Owners of the Holding Group		(220,678)	-
Non-Controlling Interests		(330)	-
		(221,008)	-
Loss per Share		(11.10)	-

The annexed notes from 1 to 12 form an integral part of these financial statements.



Samir Malik

Chief Executive Officer

[Signature]

Director

UDL INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

(Unaudited)

	For the year ended June 30, 2023	For the period from May 19, 2022 to June 30, 2022
Loss After Taxation	(221,008)	-
Total Comprehensive Loss	<u>(221,008)</u>	<u>-</u>
Total Comprehensive Loss Attributable To:		
Owners of the Holding Group	(220,678)	-
Non-Controlling Interests	<u>(330)</u>	<u>-</u>
	<u>(221,008)</u>	<u>-</u>

Jawad

The annexed notes from 1 to 12 form an integral part of these financial statements.



Sana Hameed

Chief Executive Officer

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Director

UDL INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Attributable to the owner of Holding Co.			Total
	Issued, Subscribed and Paid-up Capital	Unappropriated (losses)	Non - controlling interest	
	----- (Rupees) -----			
Balance as at 19 May 2022	-	-	-	-
Share Subscription	100,000	-	-	100,000
Total Comprehensive Loss	-	-	-	-
Balance as at 30 June 2022	100,000	-	-	100,000
Total Comprehensive Loss	-	(220,678)	(330)	(221,008)
Balance as at 30 June 2023	100,000	(220,678)	(330)	(121,008)

The annexed notes from 1 to 12 form an integral part of these financial statements.



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Chief Executive Officer

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Director

UDL INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

(Unaudited)
For the period
from May 19,
2022 to June 30,
2022

2023
(Rupees)

(Rupees)

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) Before Taxation	(111,008)	-
Cash used in Operations Before Working Capital Changes	(111,008)	-
(Increase) / Decrease in Current Assets		
Other Assets	(336)	-
Increase / (Decrease) in Current Liabilities		
Accrued and Other Liabilities	40,500	-
Net Cash Used in Operating Activities	(70,845)	-

CASH FLOWS FROM INVESTING ACTIVITIES

- -

CASH FLOWS FROM FINANCING ACTIVITIES

Share Subscription Money	-	100,000
Net Cash Generated from Financing Activities	-	100,000
Net Increase/(Decrease) in Cash and Cash Equivalents	(70,845)	100,000
Cash and Cash Equivalents at the Beginning of the Year/Period	100,000	-
Cash and Cash Equivalents at the End of the Year/Period	29,155	100,000

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The annexed notes from 1 to 12 form an integral part of these financial statements.



Handwritten signature of Chief Executive Officer

Chief Executive Officer

Handwritten signature of Director

Director

UDL INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 THE GROUP AND ITS OPERATIONS

The group comprises of:

UDL International Limited (Holding Company)

UDL Financial Services Limited Only Our (Subsidiary Company)

UDL International Limited is a Public Unlisted Company, Incorporated in Pakistan on May 19, 2022 under the Companies Act, 2017. The registered office of the Company is located at First floor, Business Enclave, 77-C, 12th Commercial Street, DHA, Phase II Ext. Karachi, Sindh.

The principle activity of the Company is to carry on sale, purchase, import and export, general trading and supply of general orders and commodity products.

UDL Financial Services Limited was incorporated in Pakistan on February 22, 2023 as a Public Unlisted Company under the Companies Act, 2017. The registered office of the Company is situated at Business Enclave, 77-C, 1st Floor, 12th Commercial Street, Phase II, Ext. DHA, Karachi. The principal line of business of the company shall be to carry on business of 'Investment Finance Services' (through Islamic Modes of Financing Only) as a licensed Investment Finance Company in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 and all the applicable laws, notifications, directive and etc. and to do, engage in and perform all such activities, matters, deeds and things as are directly or indirectly prerequisite related or consequential thereto.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprises of:

- Revised Accounting and Financial Reporting Standard for Small and Medium - Sized Entities (Revised AFRS for SME's) issued by the International Accounting Standards Board (IASB), institute of Chartered Accountants of Pakistan (ICAP) and notified under the Companies Act, 2017; and
- Provision and directive issued under Companies Act, 2017

Where the provision of and directive issued under Companies Act, 2017 differ from the revised AFRS for SME's, the provision and directive issued the under Companies Act, 2017 have been followed.

2.2 Functional and presentation currency

These consolidated consolidated financial statements have been presented in Pakistan Rupees, which is also the functional currency of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all periods presented, unless otherwise stated.

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3.1 **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation expense is charged to income applying the reducing balance method, at the rates specified, whereby the cost of assets are written off over its estimated useful life.

Depreciation on addition during the year is charged on pro-rata basis when the assets is available for use. Similarly the depreciation on deletion is charged on pro-rata basis up to the period when the assets is derecognized.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gains or losses on disposal of an item of property and equipment is recognized in the profit and loss account.

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

3.2 **Cash and bank balances**

Cash in hand and at banks are carried at cost. For the purposes of consolidated cash flow statement, cash and cash equivalent consists of cash in hand and balances with bank net of borrowing not considered to be in nature of financing activities.

3.3 **Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has legally enforceable right to set off the recognized amount and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4 **Creditors, accrued expenses and other liabilities**

Creditors, accrued expenses and other liabilities are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

3.5 **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.6 **Revenue recognition**

Revenue is recognised when or as performance obligations are satisfied by the transferring control of a promised goods or services to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and other consideration payable to customers.

Revenue is recognized on performance of services are rendered and delivery of goods to customers.

3.7 Taxation

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in profit and loss account.

	Note	2023 (Rupees)	2022 (Rupees)
4 CASH AND BANK BALANCES			
Cash in hand		10,000	99,500
Bank Balance - Saving Accounts	4.1	19,155	500
		<u>29,155</u>	<u>100,000</u>
4.1	These carry profit rates from 5.39% to 6.79%.		
5 OTHER ASSETS			
Withholding Income Tax		336	-
		<u>336</u>	<u>-</u>
6 OTHER LIABILITIES			
Audit Fee Payable		150,000	-
Other Payable		500	-
		<u>150,500</u>	<u>-</u>
7 CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments as at period end.			
		For the year ended June 30, 2023	For the period from May 19, 2022 to June 30, 2022
8 OTHER INCOME			
Profit on Saving Account with Bank		2,242	-
		<u>2,242</u>	<u>-</u>
9 OPERATING AND ADMINISTRATIVE EXPENSES			
Auditors' Remuneration		210,000	-
Fee and Subscription		13,250	-
		<u>223,250</u>	<u>-</u>
10 NUMBER OF EMPLOYEES			
Number of Employees, average and as at Period End		2	2
11 GENERAL			
Figures have been rounded off to nearest Rupee.			

12 **DATE OF AUTHORISATION**

These consolidated consolidated financial statements have been authorized for issue by the Board of Directors of the Company on behalf of the Company on 02 FEB 2024.

Jale

Sana Hossain

Chief Executive Officer



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Director