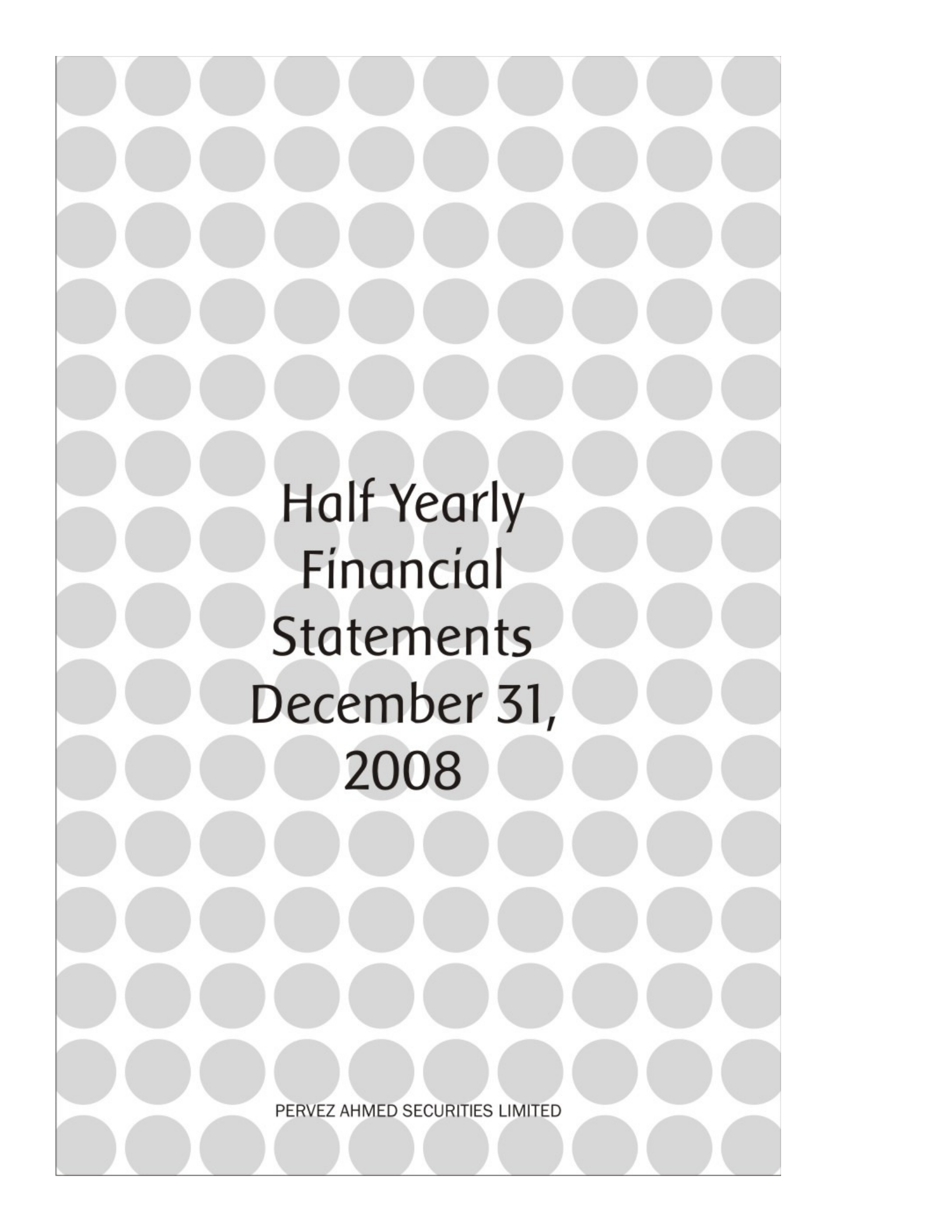




Half Yearly Financial Statements December 31, 2008

PERVEZ AHMED SECURITIES LIMITED

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Company Information

Board of Directors	Mr. Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Ali Pervez Ahmed Mr. Hassan Ibrahim Ahmed Mr. Suleman Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muhammad Khalid Khan	Chief Executive
Audit Committee	Mr. Muhammad Khalid Khan Mr. Ali Pervez Ahmed Mr. Suleman Ahmed	Chairman
Chief Financial Officer	Mr. Muhammad Yousuf	
Company Secretary	Mr. Rizwan Atta	
Auditors	M/s Horwath Hussain Chaudhury & Co. Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Arif Habib Bank Limited Dawood Islamic Bank Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited NIB Bank Limited Saudi Pak Commercial Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Stock Exchange Office	Room No. 317, Third Floor, Lahore Stock Exchange Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.	
Share Registrars	Gangjees Registrar Services (Pvt.) Limited 516-Clifton Centre, Khayaban-e-Roomi, Block - 5, Clifton, Karachi - 75 600	
Website	www.pervezahmed.net	

DIRECTORS' REVIEW

On behalf of the Board of Directors of Perez Ahmed Securities Limited, I present to you the Company's financial statements for the half year ended December 31, 2008.

Capital Market Review

The capital markets of Pakistan have witnessed extremely unusual circumstances during the period July-December 2008. Where the KSE-100 Index has shown a substantial decline of 52% despite all the stabilization measures including freezing of stock market for more than three & an half months. Country's political situation, declining foreign exchange reserves, inflation, rupee devaluation and the global financial crises were the major contributing factors of the financial crises. This freezing of market caused severe implications for local brokerage houses, investments firms, local & foreign investors which lead to total shut down of business in equity markets. The shaken confidence of the foreign investors caused withdrawal of US\$ 164 million out of the stock market in the given period.

Financial Results of the Company

During the half year ended December 31, 2008 Perez Ahmed Securities Limited suffered operating loss of Rs. 445 million and closed its results at net loss of Rs. 872 million as against profit of Rs. 249 million during the same period of last year. This represents loss per share of Rs. 11.25 as against earning per share of Rs. 3.21 for the corresponding period. This significant fall in financial results of the Company is primarily due to sharp & continuous decline of stock prices during the period due to aforementioned reasons. During the period under review the KSE-100 index start falling from 12,289 points on July 1, 2008 and closed at 5,865 points on December 31, 2008 with an identical decline of 6,424 points or 52% in just six months where as stock prices of most of the shares have plunged even more as compared to the index.

Unrealized Loss on Revaluation of Available for Sale Investments

Impairment on securities classified as "available for sale" amounting to Rs.314.74 million has not been recognized in the profit & loss account as allowed under SECP SRO 150(1) 2009 dated February 13, 2009. Had this loss been recognized as impairment in the profit & loss account, the after tax loss for the half year ended & unappropriated loss would be higher by the same amount whereas the loss per share would be higher by Rs. 4.06

Future Outlook

The future outlook and profitability of the Company is mainly dependent on the stock market performance. The management is anticipating that the stock market will normalize by the end of this year. Management is also planning to raise further capital or inject funds to run the Company in a healthy way.

Acknowledgement

The Board is thankful to its valued shareholders for their confidence in the Company, its clients, the Securities & Exchange Commission of Pakistan and to the management of Karachi & Lahore Stock Exchanges for their valuable support, assistance and guidance. The Board also appreciates the employees of the Company for their dedication and hard work.

Lahore
February 28, 2009

For & on behalf of the Board



Perez Ahmed
Chief Executive

Financial Statements

Established Since 1947



Horwath Hussain Chaudhury & Co.
Chartered Accountants

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PERVEZ AHMED SECURITIES LIMITED

REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the annexed balance sheet of **Pervez Ahmed Securities Limited** as at December 31, 2008 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the six months period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. The figures of the profit and loss account for the quarter ended December 31, 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2008.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements as of and for the half year ended December 31, 2008 are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of Matter Paragraph

Without qualifying our review report, we draw attention to Note 1.2 to the financial statements, which indicates that the Company has incurred a net loss of Rs. 871.601 million for the period and accumulated losses amount to Rs. 996.482 million. The current liabilities exceed its current assets by Rs. 689.695 million as at the balance sheet date. These conditions indicate the existence of material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern.

LAHORE
Dated: **28 FEB 2009**

Horwath Hussain Chaudhury
HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Half Yearly Financial Statements December 31, 2008

PERVEZ AHMED SECURITIES LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2008

	December 31, 2008 (Un-Audited) Rupees	June 30, 2008 (Audited) Rupees
Non Current Assets		
Property and equipments	4,643,246	5,326,602
Intangible assets	40,000,000	40,000,000
Long term investment in associated undertaking	106,100,805	106,100,805
Long term security deposits	4,055,000	4,970,000
	154,799,051	156,397,407
Current Assets		
Short term investments	332,057,444	2,076,753,276
Advances, tax refundable and other receivables	6,797,529	8,346,072
Cash and bank balances	20,082,020	33,654,870
	358,936,993	2,118,754,218
	513,736,044	2,275,151,625
Equity and Liabilities		
Issued, subscribed and paid up capital	774,498,270	774,375,530
Share deposit money	340,000	870,000
Unappropriated loss	(996,481,561)	(124,852,879)
Deficit on revaluation of available for sale investments	(314,744,062)	(127,643,537)
	(536,387,353)	522,749,114
Non Current Liabilities		
Deferred liabilities	1,491,569	998,713
Current Liabilities		
Trade and other payables	662,904,470	1,416,373,199
Accrued interest / mark-up	22,620,192	9,898,551
Short term borrowings	363,107,166	325,132,048
	1,048,631,828	1,751,403,798
	513,736,044	2,275,151,625

The annexed notes form an integral part of these accounts.

* Impairment on securities classified as "available for sale" amounting to Rs. 314,744,062 has not been recognized in the profit and loss account as allowed under SECP / SRO / 50 (1) / 2009. Had this impairment loss being recognized in the profit and loss account, loss for the period and unappropriated loss would have been higher by Rs. 314,744,062.



CHIEF EXECUTIVE



DIRECTOR

Half Yearly Financial Statements December 31, 2008

PERVEZ AHMED SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 2ND QUARTER & HALF YEAR ENDED DECEMBER 31, 2008

	For The Half Year Ended		For The Quarter Ended	
	December 31, 2008 (Un-audited) Rupees	December 31, 2007 (Un-audited) Rupees	December 31, 2008 (Un-audited) Rupees	December 31, 2007 (Un-audited) Rupees
Operating (loss) / revenue	(437,151,947)	208,656,076	(5,017,278)	164,797,988
Administrative expenses	(8,335,750)	(9,945,227)	(3,074,891)	(6,228,859)
Operating (Loss) / Profit	(445,487,697)	198,710,849	(8,092,169)	158,569,129
Other operating expenses	(24,494,786)	(3,553,999)	(12,450,858)	(3,346,499)
Other operating income	3,353	140,264	-	-
	(469,979,130)	195,297,114	(20,543,027)	155,222,630
(Deficit) / surplus on remeasurement of investments at fair value through profit and loss - Net	(401,621,812)	54,337,854	(359,991,980)	30,121,614
(Loss) / Profit before Taxation	(871,600,942)	249,634,968	(380,535,007)	185,344,244
Taxation	-	(1,005,004)	-	(881,807)
(Loss) / Profit after Taxation	(871,600,942)	248,629,964	(380,535,007)	184,462,437
Earnings per Share - Basic	(11.25)	3.21	(4.91)	2.38

The annexed notes form an integral part of these accounts.

* Impairment on securities classified as "available for sale" amounting to Rs. 314,744,062 has not been recognized in the profit and loss account as allowed under SECP / SRO / 50 (1) / 2009. Had this impairment loss being recognized in the profit and loss account, loss for the period and unappropriated loss would have been higher by Rs. 314,744,062.



CHIEF EXECUTIVE



DIRECTOR

Half Yearly Financial Statements December 31, 2008

PERVEZ AHMED SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	December 31, 2008 (Un-audited) Rupees	December 31, 2007 (Un-audited) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(871,600,942)	249,634,968
Adjustments for:		
- Deficit / (Surplus) on remeasurement of investments at fair value through profit and loss - Net	401,621,812	(54,337,854)
- Dividend income	(1,844,300)	(9,882,650)
- Provision for gratuity	499,356	-
- Depreciation	683,356	104,104
- Finance cost	24,154,123	-
	425,114,347	(64,116,400)
Operating (Loss) / Profit before Working Capital Changes	(446,486,595)	185,518,568
Decrease / (increase) in current assets		
- Short term investments	1,155,973,495	(472,766,319)
- Advances and other receivables	914,418	(24,983,597)
Increase in current liabilities:		
- Trade and other payables	(753,468,729)	84,772,695
	403,419,184	(412,977,221)
Cash used in Operations	(43,067,411)	(227,458,653)
Taxes paid	(331,845)	(2,896,968)
Finance costs paid	(11,432,482)	-
Gratuity paid	(6,500)	-
Dividend income received	2,810,270	12,335,565
Net Cash used in Operating Activities	(52,027,968)	(218,020,056)
CASH FLOWS FROM INVESTING ACTIVITIES		
Security deposit	915,000	(265,000)
Investment in associate	-	(106,100,805)
Fixed capital expenditure	-	(653,765)
Net Cash generated from / (used) in Investing Activities	915,000	(107,019,570)
CASH FLOW FROM FINANCING ACTIVITIES		
Share deposit money transferred to SECP	(435,000)	-
Short term borrowings	37,975,118	246,092,307
Net Cash from Financing Activities	37,540,118	246,092,307
Net Decrease in Cash and Cash Equivalents	(13,572,850)	(78,947,319)
Cash and cash equivalents at the beginning of the period	33,654,870	130,545,659
Cash and Cash Equivalents at the End of the Period	20,082,020	51,598,340

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

Half Yearly Financial Statements December 31, 2008

PERVEZ AHMED SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Share Capital	Share Deposit Money	Unappropriated Profit / (Loss)	Deficit on Revaluation of Investments Available for Sale	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2007	599,130,000	870,000	127,394,015	-	727,394,015
(Deficit) on remeasurement of available for sale investments	-	-		(16,283,597)	(16,283,597)
Net profit for the period	-	-	248,629,964	-	248,629,964
Interim cash dividend	-	-	(89,869,500)	-	(89,869,500)
Balance as at December 31, 2007	<u>599,130,000</u>	<u>870,000</u>	<u>286,154,479</u>	<u>(16,283,597)</u>	<u>869,870,882</u>
Balance as at June 30, 2008	774,375,530	870,000	(124,852,879)	(127,643,537)	522,749,114
Net loss for the period	-	-	(871,600,942)	-	(871,600,942)
(Deficit) on remeasurement of available for sale investments	-	-	-	(187,100,525)	(187,100,525)
Issue of share capital against share deposit money	95,000	(95,000)	-	-	-
Bonus shares issued	27,740	-	(27,740)	-	-
Transfer of share deposit to SECP for fictitious / duplicate applications	-	(435,000)	-	-	(435,000)
Balance as at December 31, 2008	<u>774,498,270</u>	<u>340,000</u>	<u>(996,481,561)</u>	<u>(314,744,062)</u>	<u>(536,387,353)</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

NOTES TO THE ACCOUNTS FOR THE HALF YEAR ENDED DECEMBER 31, 2008

Note 1

The Company and its Operations

1.1 Pervez Ahmed Securities Limited was incorporated under the Companies Ordinance, 1984 on June 8, 2005 as a single member company and was listed on Karachi and Lahore Stock Exchanges on June 21, 2007. The principal activities of the Company include shares brokerage and trading, consultancy services and underwriting. The registered office of the Company is situated at 20-K Gulberg II, Lahore.

1.2 Going concern assumption

The Company has accumulated losses of Rs. 996.482 million (June 30, 2008: Rs. 124.853 million) and net loss for the half year ended December 31, 2008 of Rs. 871.601 million (December 31, 2007: Profit of Rs. 248.630 million). The current liabilities of the Company exceed its current assets by Rs. 689.695 million as at the balance sheet date. These factors along with others raise concerns about the Company's ability to operate as going concern. Any adjustments, relating to the recoverability of recorded assets and liabilities have, however, not been incorporated in these accounts as the directors are committed to support the Company through these uncertain economic times. The directors have already offered their personal properties having worth of Rs. 260.0 million as collateral against bank borrowings and are working on plans for securing additional funding. Further, an improvement in the stock market would have a positive impact on the future results of the Company.

Note 2

Statement of Compliance

These accounts have been prepared in accordance with the requirements of the Companies Ordinance, 1984 and International accounting Standard, IAS 34 "Interim Financial Reporting."

These accounts are un-audited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance 1984.

Note 3

Accounting Policies

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those of the published annual financial statements of the Company for the year ended June 30, 2008.

Note 4

Property and Equipment

There are no additions or deletion in property and equipment during the period ended December 31, 2008 (June 30, 2008: Rs. 5.461 million / Rs. Nil).

Note 5

Trade and Other Payables

This includes claim of brokers that has been incorporated in the accounts as per the statement provided by the brokers. The amount is under recollection as at the balance sheet date.

Note 6

Short Term Borrowings

Short term borrowings from banking companies are secured against shares of listed companies owned by the Company and personal property of the directors amounting to Rs. 260 million.

Note 7

Contingencies and Commitments

Contingencies

There are no material contingencies outstanding at the close of the balance sheet date (June 30, 2008: Nil).

Commitments

There are no material commitments outstanding at the close of the balance sheet date (June 30, 2008: Nil).

Note 8

Transactions with Related Parties

The related parties comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment.

	Half Year Ended Dec. 31, 2008 (Un-Audited) Rupees	Half Year Ended Dec. 31, 2007 (Un-Audited) Rupees
Investment in associated undertaking	-	106,100,805
Funds repaid to associated undertakings	-	614,592
Funds received from associated undertakings	77,342,740	-
Purchase of marketable securities on behalf of associated undertaking	-	17,490,215
Sale of marketable securities on behalf of associated undertaking	-	17,502,274
Utilities and common expenses charged by associated undertaking	-	4,800
Purchase of shares from director	2,310,000	-

Note 9

Authorization of Financial Statements

These interim financial statements have been authorized for issue on February 28, 2009 by the Board of Directors of the Company.

PERVEZ AHMED SECURITIES LIMITED

Notes to the Accounts

Note 10
General

Figures have been rounded off to the nearest rupees.

The figures of the corresponding period have been re-arranged , wherever necessary, to facilitate comparison. No material rearrangement has been made during the period.



CHIEF EXECUTIVE



DIRECTOR