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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 Mrs. Rehana Pervez Ahmed Mr. Suleman Ahmed	Chairman
Chief Financial Officer	Mr. Muhammad Yousuf	
Company Secretary	Mr. Rizwan Atta.	
Auditors	M/s M.Hussain Chaudhury & Co. Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	MCB Bank Limited PICIC Commercial Bank Limited Arif Habib 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	

### **VISION**

Being an investment and financial services organization whose principles are centered to the financial success of its shareholders and clients, we are devoted to holding the highest degree of service quality and reliability while using our specialized skills and judgments for the financial and operational growth of the Company.

### **MISSION**

To be an esteemed and prosperous Company, providing a diverse range of value added financial services to meet the growing demands of our clients and to earn a highest possible return for our shareholders, through dependable investment behavior and adhering to the best corporate governance standards.

## DIRECTORS' REVIEW

On behalf of the Board of Directors of Pervez Ahmed Securities Limited, I am pleased to present first quarter accounts of the Company for the period ended September 30, 2007.

### Capital Market Review

In the first three months of Financial Year 2007-08, the Karachi Stock Exchange (KSE) - 100 index remained volatile and due to this average daily volumes remained under pressure specially in the last month. During this quarter the KSE-100 index reached high at 14,202 points from 13,772 points at the beginning of the quarter and closed at 13,354 points showing a net decline of almost 3%.

### Financial Review

	<b>July 1 to September 30, 2007 Rupees</b>	<b>July 1 to September 30, 2006 Rupees</b>
Operating revenue	43,858,088	9,002,999
Operating Profit	40,141,720	6,290,444
Surplus on remeasurement of investments	24,216,240	18,303,104
Profit before Taxation	64,290,724	23,505,668
Taxation	(123,197)	-
Profit after Taxation	64,167,527	23,505,668
<b>Earnings per Share - Basic</b>	<b>1.07</b>	<b>1.10</b>

The Company earned profit after tax of Rs. 64.17 million for the first quarter ended on 30 September 2007 as compared to profit of Rs. 23.51 million for the same period of last year. Operating revenue for the first quarter was Rs. 43.86 million as compared to Rs. 9.00 million for the same of last year. This impressive performance of the Company in the first quarter is mainly contributed by the portfolio investment.

From this financial year we have started brokerage of shares which will also be an integral part of our operating revenue in the future.

### Dividend

On behalf of Board of Directors of the Company, I am pleased to announce first cash dividend of Pervez Ahmed Securities Limited @ 15% i.e. Rs. 1.5 per shares of Rs. 10 each.

Our objective is to maximize our shareholders wealth and also to declare good dividends. We have pleasure in pointing out that those shareholders who invested with us on May 11, 2007 that is less than six months, have seen the price of this share go up by 215% which works out to an annualized return of more than 430%. As far as dividends are concerned it is our desire and hope to give quarterly dividends on the lines of the worlds biggest brokerage houses/securities companies like Merrill Lynch, Morgan Stanley, J P Morgan, Bear Stearns and Goldman Sachs. However the quarterly dividends is dependent on a number of factors including our performance and market conditions. It will also be our endeavor to beat the KSE-100 Index and be amongst the best performing brokerage houses/securities companies.

**Book Closure**

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from November 22, 2007 to November 28, 2007 (both days inclusive) to determine entitlement of this interim Cash Dividend.

The Interim Cash Dividend will be paid to those shareholders whose names appear on the register of members of the Company at the close of business on November 21, 2007.

**Social Responsibility**

Hand in hand with our objective of making profits, paying good dividends and maximizing our shareholders value goes our objective of helping the poor and needy people.

You will be pleased to know that the Company has started making regular contributions to the following organizations;

- 1 Care Foundation - Lahore
- 2 Shaukat Khanum Memorial Cancer Hospital - Lahore
- 3 SIUT - Karachi
- 4 Fatmid Foundation - Lahore
- 5 Edhi Trust - Karachi
- 6 LRBT - Lahore
- 7 Bali Memorial Hospital - Lahore, and
- 8 Quaid-e-Azam Musafarkhana, Mayo Hospital - Lahore

**Future Outlook**

We hope that InshaAllah the Company will perform well in the future and also outperform the Karachi Stock Exchange Index.

Lahore  
October 31,2007

For & on behalf of the Board



Pervez Ahmed  
Chief Executive

**PERVEZ AHMED SECURITIES LIMITED**  
BALANCE SHEET AS AT SEPTEMBER 30, 2007

	Note	September 30, 2007 (Un-audited) Rupees	June 30, 2007 (Audited) Rupees
<b>Non Current Assets</b>			
Property and equipments	4	570,872	458,039
Intangible assets - LSE Membership Card & Room		40,000,000	40,000,000
Long term security deposits		1,055,000	1,055,000
		<u>41,625,872</u>	<u>41,513,039</u>
<b>Current Assets</b>			
Short term investments	5	907,121,486	787,700,093
Advances, tax refundable and other receivables		44,504,773	4,306,828
Cash and bank balances		25,282,628	130,545,659
		976,908,887	922,552,580
<b>Current Liabilities</b>			
Trade and other payables		(254,469,512)	(236,671,604)
		722,439,375	685,880,976
<b>Net Current Assets</b>			
		<u>764,065,247</u>	<u>727,394,015</u>
<b>NET ASSETS</b>			
		<u>764,065,247</u>	<u>727,394,015</u>
<b>REPRESENTED BY</b>			
Issued, subscribed and paid up capital		599,130,000	599,130,000
Share deposit money		870,000	870,000
Unappropriated profit		191,561,542	127,394,015
Deficit on revaluation of investments - available for sales		(27,496,295)	-
		<u>764,065,247</u>	<u>727,394,015</u>
<b>Contingencies and Commitments</b>			
	6	-	-
		<u>764,065,247</u>	<u>727,394,015</u>

The annexed notes form an integral part of these accounts.

  
CHIEF EXECUTIVE

  
DIRECTOR

**PERVEZ AHMED SECURITIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

	Note	July 1 to September 30, 2007 <b>(Un-audited)</b> Rupees	July 1 to September 30, 2006 <b>(Audited)</b> Rupees
Operating revenue	7	43,858,088	9,002,999
Administrative expenses		(3,716,368)	(2,712,555)
<b>Operating Profit</b>		<b>40,141,720</b>	<b>6,290,444</b>
Other operating expenses		(207,500)	(1,087,880)
Other operating income		140,264	-
Surplus on remeasurement of investments at fair value through profit and loss - Net		40,074,484	5,202,564
		<u>24,216,240</u>	<u>18,303,104</u>
<b>Profit before Taxation</b>		<b>64,290,724</b>	<b>23,505,668</b>
Taxation		(123,197)	-
<b>Profit after Taxation</b>		<b><u>64,167,527</u></b>	<b><u>23,505,668</u></b>
<b>Earnings per Share - Basic</b>	8	<b><u>1.07</u></b>	<b><u>1.10</u></b>

The annexed notes form an integral part of these accounts.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**PERVEZ AHMED SECURITIES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

	July 1 to September 30, 2007 <b>(Un-audited)</b> Rupees	July 1 to September 30, 2006 <b>(Audited)</b> Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	64,290,724	23,505,668
Adjustments for:		
- Surplus on remeasurement of investments at fair value through profit and loss - Net	(24,216,240)	(18,303,104)
- Dividend income	(1,158,700)	-
- Depreciation	44,417	9,552
	<u>(25,330,523)</u>	<u>(18,293,552)</u>
<b>Operating Profit before Working Capital Changes</b>	38,960,201	5,212,116
Decrease / (Increase) in current assets		
- Short term investments	(122,701,448)	(18,489,734)
- Advances and other receivables	(42,415,240)	2,996,884
Increase in current liabilities:		
- Trade and other payables	17,797,908	6,985,957
	<u>(147,318,780)</u>	<u>(8,506,893)</u>
<b>Net Cash used in Operations</b>	(108,358,579)	(3,294,777)
Taxes paid	(123,197)	-
Dividend income received	3,375,995	-
<b>Net Cash used in Operating Activities</b>	(105,105,781)	(3,294,777)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(157,250)	(205,093)
<b>Net Cash used in Investing Activities</b>	(157,250)	(205,093)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	-	-
Share deposit money	-	11,500,000
Initial public offer costs	-	-
<b>Net Cash from Financing Activities</b>	-	11,500,000
<b>Net Increase in Cash and Cash Equivalents</b>	(105,263,031)	8,000,130
Cash and cash equivalents at the beginning of the period	130,545,659	2,331,571
<b>Cash and Cash Equivalents at the End of the Period</b>	<u>25,282,628</u>	<u>10,331,701</u>

The annexed notes form an integral part of these accounts.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



**PERVEZ AHMED SECURITIES LIMITED**

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007

	Share Capital	Share Deposit Money	Unappropriated Profit	Revaluation Reserve on Investments Available for Sale	Total
	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees
Balance as at July 1, 2006	200,000,000	10,000,000	5,129,143	-	215,129,143
Share deposit money received	-	11,500,000	-	-	11,500,000
Profit for the period	-	-	23,505,668	-	23,505,668
<b>Balance as at September 30, 2006</b>	<b>200,000,000</b>	<b>21,500,000</b>	<b>28,634,811</b>	<b>-</b>	<b>250,134,811</b>
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Balance as at July 1, 2007	599,130,000	870,000	127,394,015	-	727,394,015
(Deficit) on remeasurement of investments available for sales	-	-	-	(27,496,295)	(27,496,295)
Profit for the period	-	-	64,167,527	-	64,167,527
<b>Balance as at September 30, 2007</b>	<b>599,130,000</b>	<b>870,000</b>	<b>191,561,542</b>	<b>(27,496,295)</b>	<b>764,065,247</b>

The annexed notes form an integral part of these accounts.

  
CHIEF EXECUTIVE

  
DIRECTOR

**PERVEZ AHMED SECURITIES LIMITED**

NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007

Note 1

**The Company and its Operations**

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.

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, 2007.

Note 4

**Property and equipments**

	September 30, 2007 <b>(Un-audited)</b> Rupees	September 30, 2006 <b>(Audited)</b> Rupees
Detail of additions during the period are as follows.		
Furniture and fittings	28,500	112,000
Office equipments	128,750	93,093

Note 5

**Short Term Investments in Marketable Securities**

	September 30, 2007 <b>(Un-audited)</b> Rupees	September 30, 2006 <b>(Audited)</b> Rupees
Available for sale		
- Cost	128,792,095	-
- (Deficit) on remeasurement of investments	(27,496,295)	-
	101,295,800	-
Held for trading		
- Cost	781,609,446	753,493,120
- Surplus on remeasurement of investments	24,216,240	34,206,973
	805,825,686	787,700,093
	<u>907,121,486</u>	<u>787,700,093</u>

Note 6

**Contingencies and Commitments**

**Contingencies**

There are no material contingencies outstanding at the close of the balance sheet date (June 30, 2007: Nil).

**Commitments**

There are no material commitments outstanding at the close of the balance sheet date (June 30, 2007: Nil).

Note 7

**Operating Revenue**

	July 1 to September 30, 2007 <b>(Un-audited)</b> Rupees	July 1 to September 30, 2006 <b>(Audited)</b> Rupees
Gain on sale of investments - Net	42,644,184	9,002,999
Dividend income	1,158,700	-
Brokerage income	55,204	-
	<u>43,858,088</u>	<u>9,002,999</u>

Note 8

**Earning Per Share**

	July 1 to September 30, 2007 <b>(Un-audited)</b> Rupees	July 1 to September 30, 2006 <b>(Audited)</b> Rupees
Profit after tax attributable to ordinary shareholders	64,167,527	23,505,668
Number of shares	60,000,000	21,291,758
Weighted average number of ordinary shares	60,000,000	21,291,758
	<b>Rupees</b>	<b>Rupees</b>
Earning per share	<u>1.07</u>	<u>1.10</u>

8.1 Share deposit money has been considered as issued share capital for the calculation of earning per share.

Note 9

**Transactions with Related Parties**

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

	July 1 to September 30, <b>2007</b> Rupees	July 1 to September 30, <b>2006</b> Rupees
Associated undertakings		
Utilities and other common expenses charged by associated undertakings	-	322,855
Funds (repaid to) directors	-	(4,320,057)
Purchase of marketable securities for & on behalf of associated undertaking	16,459,949	-
Sale of marketable securities for & on behalf of associated undertaking	16,502,274	-

Note 10

**Authorization of Financial Statements**

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These interim financial statements were authorized for issue by the Board of Directors in its meeting held on October 31, 2007

Note 11

**General**

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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**